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FIFTH SESSION—SEVENTEENTH PARLIAMENT

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CANADA

House of Commons Debates

OFFICIAL REPORT

Tuesday, April 17, 1934

The house met at three o'clock.

HOSPITAL SWEEPSTAKES

Mr. J. A. FRASER (Cariboo) moved the first reading of Bill No. 56 (from the Senate) with respect to hospital sweepstakes.

Some hon. MEMBERS: Explain.

Mr. FRASER: In view of the statement made yesterday by the Prime Minister I hardly think it is necessary to explain the bill. This is practically the same bill that was introduced in the house last session, and in view of the fact that we will have an opportunity for an extended discussion I do not think any further explanation is necessary at this time.

Motion agreed to and bill read the first time.

FRASER RIVER BRIDGE

On the orders of the day:

Mr. THOMAS REID (New Westminster): I should like to direct a question to the Prime Minister. In view of the difficulty that is being experienced in crossing the Fraser river from New Westminster on down, and in view of the many reports that have been appearing in the press I should like to ask if the government are considering the advisability of constructing a bridge across the Fraser river under the public works program.

Right Hon. R. B. BENNETT (Prime Minister): My recollection is that the matter has not been dealt with. Representations have been made to the government with respect to charters held by individuals for bridges across the Fraser river, and since the advent into power of the new administration in British Columbia I believe certain legislation has been enacted dealing with the matter. Nothing has been received by the government of which I can think at the moment, however, other than the correspondence to which I have referred. I will look it up, and if there is anything I will let the hon. gentleman know.

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PRIVILEGE—MR. GUTHRIE

On the orders of the day:

Hon. HUGH GUTHRIE (Minister of Justice): I rise to a question of privilege, Mr. Speaker. Referring to Hansard for yesterday I find that when the vote on the amendment to the relief bill was taken my name is recorded as amongst those who voted against the amendment. A few minutes later, when the motion for the third reading of the bill was put, I certainly rose in my place and voted; my name was called by the assistant clerk, but my name is not recorded in the division list or in the list of pairs. I wish to have that error corrected, Mr. Speaker, since I certainly voted for the third reading of the bill.

May I say that I attach no blame at all to either the assistant clerk or the clerk in regard to this omission. When the vote was taken there was so much conversation, and perhaps disorder, in the chamber that though my name was called by the assistant clerk it might well be that the clerk did not hear it. I think my old friend from Bonaventure (Mr. Marcil) will bear me out when I say that in our early experience in this house the taking of a division was rather a dignified and indeed one might say a solemn occasion. When the whips returned the doors were closed; no one was permitted to enter or leave the chamber, and on pain of a very severe rebuke no one was permitted to move about the house at all from one seat to another. Apart from the traditional applause that always greeted the votes of the leaders the proverbial silence was always maintained, so that you could hear a pin drop. I wish members of the house would assist in restoring that ancient dignity, so that at least we may have a properly recorded division in this house.

Hon. CHARLES MARCIL (Bonaventure): I am very glad to have the opportunity of endorsing every word that has been uttered by the Minister of Justice (Mr. Guthrie), and I hope that in future the old traditions of parliament will be observed.

SURVEY OF NATIONAL PORTS

On the orders of the day:

Hon. IAN MACKENZIE (Vancouver Centre): May I ask the Minister of Marine (Mr. Duranleau) if he is now in a position to make any announcement in regard to the intentions of the government as to implementing any or all of the provisions of the Gibb report at this session.

Hon. ALFRED DURANLEAU (Minister of Marine): Mr. Speaker, the information I can give my hon. friend is that I do not think we intend to implement that report this session.

PRIVILEGE—MR. BENNETT

On the orders of the day:

Right Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, I rise to speak to a question of privilege affecting this house. On Thursday, April 12, the hon. member for Temiscouata (Mr. Pouliot) referred to an article appearing in a newspaper, headed:

Arthur Cutten facing charge of conspiracy alleged by United States Secretary of Agriculture to have made false reports to manipulate grain prices.

After asking the first question the hon. member said:

My second question is, did the said Cutten do anything in Canada of the kind complained of by the American government according to the dispatch I have just quoted?

This question of the hon. member is to be found at page 2067 of Hansard. A point of order was taken and considerable discussion took place, whereupon the hon. member for Temiscouata spoke as follows, as reported in the next column of the said page:

There is an obvious connection between the manipulation of grain by Cutten in Chicago and what might have been done here. We do not know what has been done here. I do not know, no one knows—

The Chairman: Order. Does the hon. gentleman speak of his personal knowledge or of what he has read?

To this inquiry the hon. member replied:

Well, most of our knowledge comes from the press, because the government does not say much.

Then there was a further statement made by the hon. member for Antigonish-Guysborough. At page 2071 the chairman said:

I understood the hon. member was going to speak on the point of order.

Then the hon. member for Antigonish-Guysborough said:

Yes, Mr. Chairman. Let me go a step further. As far as the Cutten matter is concerned, in which you intervened, Mr. Chairman, in a very courteous manner, I understand that this wheat which Cutten was selling in Chicago was sold to Mr. McFarland, and that the government was guaranteeing the money which was paying for that wheat.

Then, at page 2072:

As I said a moment ago, my only interest so far as the Cutten matter is concerned is this, that owing to the guarantee given Mr. McFarland by the government, Mr. Cutten in Chicago sold wheat to Mr. McFarland, and he had to use money for the guarantee which the dominion gave to him. In making that statement I think I have said sufficient for my purpose.

That was a direct and positive statement. Then, later at page 2074, the following statement was made by myself:

There is just one observation which the hon. member made which I submit to the committee is a very serious one. He has alleged that in consequence of something that appears in the newspapers there was collusion—that is what it amounts to—between the cooperative wheat sellers' organization and Mr. Cutten at Chicago and that money was used by Canadians for the purpose of buying Mr. Cutten's wheat.

Mr. Duff: If the Prime Minister will allow me, I said that there was a report.

Mr. Bennett: Any man who in parliament makes a statement of that kind must accept the responsibility for making it.

That is the direct statement, which will be recalled. Then the hon. member for Antigonish-Guysborough said, "I am willing to accept it."

I cabled Mr. McFarland the sense of the statement thus made and I have just received an answer, as follows:

Replying your telegram, never directly or indirectly, either for myself or for any person, corporation or government, have I had any business transactions in wheat or other commodities with Arthur Cutten either in Chicago, Winnipeg or elsewhere.

McFarland.

I mention that, Mr. Speaker, because the statement, in the first instance, was a very direct one, and later it was said to have been only a report. I do think that the privileges of this house have been violated by a statement of that positive character being made with respect to one who was discharging the duties that he was, and whose contradiction is unequivocal and certain.

Mr. LAPOINTE: I believe it is against the rules of the house to quote statements from outsiders in reply to statements made by hon. members of this house.

Mr. BENNETT: That is true, Mr. Speaker, but when it involves a question of a witness who was brought by a committee of this house before it, and a statement of that kind

is made, the government as such, not a member but the government, may make a denial on the strength of the information received from the individual whose name is given, in order that there may be no question about it.

Mr. LAPOINTE: Let any hon. member try to do it.

Mr. BENNETT: I beg the hon. member's pardon.

Mr. LAPOINTE: Let any hon. member try to do what the Prime Minister has done.

Mr. BENNETT: It was frequently done by hon. members opposite.

The following legislation will be submitted to the house before—

Mr. DUFF: Before the Prime Minister gives the leader of the opposition the information asked may I make a statement?

Mr. SPEAKER: The Prime Minister has the floor.

Mr. DUFF: But it is a question of privilege.

Mr. BENNETT: All right.

Mr. DUFF: The other day when I brought up the matter about something which occurred in a committee of the house the Prime Minister was the first to rise in his seat and state I had no right to do so. To-day however the Prime Minister does deliberately what I tried to do the other day. So far as I am concerned, and so far as Mr. McFarland is concerned, it is quite possible that Mr. McFarland might not have known whose wheat he was buying in Chicago. He does not say so in that telegram. Let me say to the Prime Minister that there is no question about it, and I think I know what I am talking about when I say that the wheat Mr. McFarland bought, and the money guaranteed by this government, was wheat which Mr. Cutten sold to Mr. McFarland on the Winnipeg grain exchange.

Mr. BENNETT: The statement which is made by the hon. member does not add anything to what has already been said by him.

Mr. DUFF: Or yourself.

Mr. BENNETT: But it will be recalled that it was stated by Mr. McFarland, and it is a matter of evidence, that he had bought not a single grain of wheat in Chicago.

Mr. MACKENZIE (Vancouver): He did not say Chicago.

Mr. BENNETT: Yes, he said Chicago.

BUSINESS OF THE HOUSE

STATEMENT AS TO LEGISLATION TO BE INTRODUCED

On the orders of the day:

Right Hon. R. B. BENNETT (Prime Minister): The business which will be submitted to the house comprises amendments to the Food and Drugs Act; The Proprietary Medicines Act; The Criminal Code; The Soldier Settlement Act; The Customs Act; The Elections Act; The Farm Loan Act and The Bankruptcy Act. Compromises or arrangements with creditors it is hoped will be in the form of one bill. Possibly there will be one other administrative change in addition to the legislation now pending before the house and the senate, and the changes which will arise from the deliberations of the existing committees on the Bank Act and the Bank of Canada Act, if they emerge successfully from the committee to which they have been sent. There will be changes of course in the Currency Act, some changes in the Finance Act and some changes in the Notes Act. There will be submitted also a consolidated Excise Act which cannot be submitted until after the budget has been delivered. There will be a new Companies Act and a Franchise Act arising out of the Elections Act. I think I may say to the right hon. gentleman that the main features of the Elections Act will remain as they are, but an effort will be made to enact a statute along the lines of the recommendations of the first chief electoral officer, that is the establishment of a basic list which will not depart from the principles of the present Elections Act. There will also be an Emergency Public Works Act, to which reference has already been made. There is in addition another bill in process of preparation which to-day I cannot speak about—with certainty, but about which I may be able to speak with certainty by the end of the week. There will also be amendments to the Judges Act.

Mr. POULIOT: In the meantime prosperity will be around the corner.

DAIRY INDUSTRY ACT AMENDMENT

The house in committee on Bill No. 38, to amend the Dairy Industry Act.—Mr. Weir (Melfort)—Mr. LaVergne in the chair.

Mr. MACKENZIE KING: The Prime Minister mentioned yesterday that to-day we would go on with the marketing bill. Is there any reason why that should not be proceeded with?

Mr. BENNETT: I indicated last evening that we were proceeding with the marketing bill, and with certain bills on the order paper of which I gave the numbers. We are proceeding with this first; that is all.

Section 1 agreed to.

On section 2—definitions.

Mr. GARLAND (Bow River): Would the minister explain the purpose in the change in this part of the act, with particular reference to the definition of "fat" which is now to include fats of mineral origin. An explanation of the whole clause I think would be in order.

Mr. WEIR (Melfort): The definitions are being extended so as to be more in line with the requirements of modern practice. The definition of "fat" is amended to include mineral fats as well as animal and vegetable fats because there has been an effort to use mineral fat in producing an article that is being used as a substitute for butter.

Mr. GARLAND (Bow River): What is the article?

Mr. WEIR (Melfort): I have not the name with me but as certain attempts have been made in that direction it was thought advisable to amend this definition as a protection to the consuming public, so that they would get what they thought they were getting when making a purchase.

Mr. NEILL: Does not the act dealing with oleomargarine already prohibit such a thing?

Mr. WEIR (Melfort): No, margarine is not a mineral fat.

Mr. GARLAND (Bow River): Would not the Pure Food and Drugs Act take care of such a product? The minister's explanation of the matter is not at all clear.

Mr. WEIR (Melfort): It is not covered by the Pure Food and Drugs Act because mineral oil is used for medicinal purposes and there is nothing injurious in its use for that purpose. The object of amending this definition is simply to prevent the substitution of mineral oil in products that would come into competition with butter.

Mr. MITCHELL: Do I understand from the minister's remarks that the department knows of cases where mineral oil has been used as a substitute in the making of butter?

Mr. WEIR (Melfort): Yes, that is correct

Mr. DUPUIS: Is that allowed?

[Mr. Mackenzie King.]

Mr. WEIR (Melfort): This is to prevent it.

Mr. MITCHELL: If mineral oil has been used as a substitute in the making of butter, what action has been taken by the department in such cases?

Mr. WEIR (Melfort): It was not used in the making of butter but in substitutes for butter or in products that resembled butter and were intended to be used in place of it.

Mr. MITCHELL: I remember the fight over oleomargarine some years ago, and I am curious to know what these products are.

Mr. WEIR (Melfort): My information is that such a product is being manufactured in the United States, and they desire to bring it into this country. We do not think it should be brought in, and if we decide that it shall not be brought in and sold as butter, this section will enable us to prevent that being done.

Mr. MITCHELL: I would like to know what the product is called. I have very strong opinions about this thing.

Mr. WEIR (Melfort): We have not got the name of the product, but one of the advantages claimed and advertised for it is that it makes what is eaten more palatable and will prevent the consumers from becoming what they would consider too stout.

Mr. MITCHELL: What I want to get clear in my mind is this: If this article is imported into this country and sold as butter, will prosecutions take place under this section?

Mr. WEIR (Melfort): It would be possible under this bill to make prosecutions if thought desirable.

Mr. MITCHELL: Then it is the intention of the government to prevent the sale of this substitute for butter?

Mr. WEIR (Melfort): Its sale as butter, yes.

Mr. GARLAND (Bow River): It may be sold if it is not offered as butter, is that it?

Mr. WEIR (Melfort): Yes, that is my understanding. The definition as it stands at present requires that there must be a specified amount of fat in a product sold as butter. Under the present act, the definition of "fat" would not exclude mineral oil. It is for this reason that the change is made.

Mr. GARLAND (Bow River): Do I understand that what is being sold in the United States as a butter substitute could not be sold in Canada as such but could be sold as a different product in spite of the oleomargarine law?

Mr. WEIR (Melfort): It cannot be sold as butter but it could be sold for medicinal purposes. The definition which we have now does not specify this particular kind of fat. I regret I have not the particulars before me but I shall be glad to get them for the hon. member.

Mr. GARLAND (Bow River): Has the minister satisfied himself that this amendment will be fair to the butter producer and not interfere in any way with his market through permitting the introduction of a substitute which can be sold as a medicinal article?

Mr. WEIR (Melfort): The purpose of the bill is to protect especially the butter producer and the consumer. This bill has been before the agriculture committee when a full discussion took place. The bill met with the approval of the members of that committee but I must admit that since that time the details have not been as fresh in my mind as they might be.

Mr. SANDERSON: Has there been any request for this proposed legislation and, if so, from whom was it received?

Mr. WEIR (Melfort): The industry submitted samples to us which upon analysis were found not to contain either milk or vegetable fat. The change has been made as a protection to the producer and to the consumer.

Mr. BOUCHARD: Will this legislation permit the manufacture and sale of oleomargarine or similar products? I can remember distinctly my maiden speech many years ago when I spoke against oleomargarine. The majority of the house pronounced themselves to be against this product even when sold under its proper name. There has always been a danger of confusion among the consumers. If this measure is to open the door to substitutes for butter I think our farmers in general will protest very strongly.

Mr. WEIR (Melfort): The purpose of widening the definition is to afford the protection the hon. member suggests.

Mr. SANDERSON: There was so much noise in the chamber that I could not catch the answer to my question. I believe the minister said that requests had come from the industry. Am I right?

Mr. WEIR (Melfort): That is my understanding.

Mr. SANDERSON: What does the minister mean by the industry?

Mr. WEIR (Melfort): The producers of butter, the creameries.

Mr. BOUCHARD: You mean the dairy industry?

Mr. WEIR (Melfort): The dairy industry.

Mr. CASGRAIN: The minister will pardon me for not being present when the bill was introduced and I should like to know his reasons for bringing in this legislation. I should like to know who asked for these amendments and from what part of the country requests were received. For instance, has the minister received representations from Quebec?

Mr. WEIR (Melfort): Requests have been coming in from time to time from the dairy industry as a whole and from the industry in different provinces. As I said before, the purpose of this amendment is to widen the definitions to bring them more in line with modern practices and to assure the consuming public that they are getting what they want to purchase. It is intended also to prevent the manufacture of or the entry into this country of products which will be in competition with those of our dairy producers.

Mr. LUCAS: Has any of this product been sold in Canada up to the present time?

Mr. WEIR (Melfort): Not of which we have any record, but we understand that it was contemplated that sales would be made.

Mr. LUCAS: This amendment would not keep it out other than by providing that it be sold on its own merits.

Mr. WEIR (Melfort): There is a clause in the act which has not been amended. Section 5 reads:

> No person shall manufacture, import into Canada, or offer, sell or have in his possession for sale, any oleomargarine, margarine, butterine, or other substitute for butter, manufactured wholly or in part from any fat other than that of milk or cream.

Mr. BOUCHARD: Is that a clause in the new bill?

Mr. WEIR (Melfort): No, that has not been changed.

Mr. BOUCHARD: I would suggest that this section be allowed to stand until we have studied the other sections. We could then come back to it if the committee is willing.

Mr. SANDERSON: Has the minister received any request for this legislation from the National Dairy Council?

Mr. WEIR (Melfort): I have not before me the names of those who made requests that there should be changes but from time to time requests have been made that the definitions should be changed to be brought in line with modern practices. One of the problems to be dealt with is the tendency to produce an article containing no animal or milk fat. It was to widen these definitions that this change has been made.

Mr. SANDERSON: There is so much confusion in the chamber that it is very difficult to hear and I am not just clear as to what the minister answered. I asked him if any request for this proposed legislation had been received from the National Dairy Council.

Mr. WEIR (Melfort): I could not say but I would say that requests have been received from branches of the dairy industry. As the National Dairy Council is supposed to be representative of the whole industry, I think it is immaterial whether or not we have received a request from that organization.

Mr. SANDERSON: Just what does the minister mean? Does his answer take in any particular province or all provinces? For instance what requests did he receive from Ontario?

Mr. CASGRAIN: And Quebec?

Mr. WEIR (Melfort): As I have stated a number of times, I have not before me a specific list of the different bodies that made requests for this change. The changes proposed here have all been made after consultation with the producers' organizations, with the National Dairy Council, with the cooperative creameries and with others engaged in the dairy industry.

Mr. SANDERSON: Will the minister bring before the committee all the requests that have been received either by himself or by his department?

Mr. WEIR (Melfort): I shall be glad to supply the hon. member with the information, but it will be impossible to get it this afternoon.

Mr. SANDERSON: I am aware of that.

Mr. CASGRAIN: It is very kind of the minister to say that he will bring down these requests, because I was going to ask for them myself. In our province there is an organization known as La Société de l'Industrie Laitière, which a few years ago held a large convention in my county, and these people are very much interested in any bill of such wide scope as the one before us now. The minister told us that this bill was being introduced in order to meet the requests of the dairy industry, and he has intimated that certain statements have been received from those persons at the end of the industry. I should like to have these reports, because this is the committee of the whole house; it is not the committe on agriculture, before whom specialists in the dairy industry and in matters of that sort affecting the dairy council have the right to be heard, and where members may comment on statements made by people who are better versed in the industry. It would be very interesting, I am sure, to all the members of this committee, and certainly to myself to have these comments made so that we might find out whether the provisions contemplated in the bill are really of such a nature as to assist the dairy industry and, I would add, the consumer. Will the minister tell us what will be the effect of all these amendments that are now proposed. It is very important to know whether they are in the interests of the dairy industry and whether at the same time the consumer will benefit.

Mr. WEIR (Melfort): I have no hesitation in saying that it will be of benefit to the dairy industry, the dairy producers particularly, and also to the consumer, because it will enable the consumer to know that he is getting what he believes he is buying when he purchases a product.

Mr. DUPUIS: When the minister uses the term dairy industry, does it include such concerns as Borden's milk, and distributors in the large centres? Are they among those who have asked for the amendments?

Mr. WEIR (Melfort): Everybody did not ask for it; the request came chiefly from representatives of producers.

Mr. DUPUIS: Yes, but could the minister tell me whether Borden's milk was among those making the request?

Mr. WEIR (Melfort): I cannot tell the hon. gentleman.

Mr. DUPUIS: Can the minister tell me after looking into the question?

Mr. BOUCHARD: Will the minister agree to my suggestion and allow this clause to stand until we have studied the bill further? We could revert to it later on.

Mr. WEIR (Melfort): Yes.

Mr. STEVENS: Carried.

Some hon. MEMBERS: No.

Mr. CASGRAIN: I understand that we are to get some information from the minister. I would ask therefore that the clause be allowed to stand.

Section stands.

On section 3—Regulations.

Mr. CASGRAIN: In the explanatory notes it is stated:

This is necessary in order to permit fixing of a legal standard for any dairy product by the governor in council.

I am wondering whether there will be any conflict between the provisions of the bill we are now considering and the other bill, the marketing bill, which will be taken up shortly. In this bill are we given to understand that the governor in council will fix the standard of butter which is to be put on the market? That is what the explanatory note says. Is the governor in council going to fix the various standards of butter in the country?

Mr. WEIR (Melfort): This also is an extension to include dairy products that are not now included, products of a type different from those dealt with when the act was last revised—for example, processed cheese. It does not change in any way the principle of the act as it now stands.

Mr. BEAUBIEN: How were these standards arrived at before the amendments were proposed?

Mr. WEIR (Melfort): This does not mean a new set of standards; it is merely an extension so that standards may be set up for products not now named, products that have come into being since this act was last amended. There is no change in principle.

Mr. BOUCHARD: Is it the object of this bill to fix a standard for cream? As we all know, cream is a noble word which has very often been prostituted to represent a low grade commodity very little different from milk. For instance, when you ask for a certain grade of cream, cereal cream or any other, the percentage of fat if I remember rightly is about 10 per cent, perhaps lower in some cases. Milk left in its natural state will give up its cream and I believe the right percentage of fat in the natural state is something around 18 per cent. Are we going to allow this noble word "cream," which is so appealing, to be degraded, representing a product with 10 per cent of fat? I wish the minister would be good enough to consider this question carefully and give the committee an assurance that in the near future he will fix some standard which will not be confusing to either producer or consumer.

Mr. WEIR (Melfort): The amendments proposed by this bill deal only with manufactured products and that would not include cream.

Mr. CASGRAIN: If we are a little concerned about this matter it is because it is important. The explanatory note in connection with paragraph (h) of clause 2 just passed, reads:

This paragraph is amended to include mineral oil in a definition of fat. This is necessary as such an oil might be used in the manufacture of a substitute for butter.

I am afraid, if we pass this bill and give this power to the governor in council to brand, mark and classify certain standards of butter and cheese in accordance with the bill, we might before long have substitutes that might be passed through, adopted, classified and passed as correct and that would be in competition with the dairy products of our farmers in the various provinces. I think this bill is drafted more in order to benefit the jobbers and others who trade in that line of business, who buy and resell the product, than to protect the man of the soil.

Mr. WEIR (Melfort): The purpose of these amendments is to do exactly what the hon. member seems to fear is not being done. No new powers are given and the purpose is now as it has been in the past, to bring the people to whom he refers under control, so that the consumer may know what he is purchasing. The effort is being made to protect the farmer's product against substitutes that we do not consider so beneficial. The purpose of these amendments is, so far as I can understand the hon. member's observations, to do exactly what he wishes done and it gives no additional powers to the government; it is a widening of the definition.

Mr. CASGRAIN: I am glad to hear that.

Mr. BEAUBIEN: Do I understand the minister to say that the farmer who produces butter and goes around selling it is not affected by this bill?

Mr. WEIR (Melfort): He is not.

Mr. CASGRAIN: That is the explanation we require. Will the minister answer the question of the hon. member for Provencher?

Mr. WEIR (Melfort): He has answered it.

Mr. DUPUIS: In answer to the hon. member for Kamouraska the minister said that this clause will not affect cream. What does paragraph (f) of clause 2 mean? It reads:

"Dairy product" "dairy products" or "dairy produce" means any milk, cream, condensed milk, evaporated milk—

And so forth. I would like to have from the minister an explanation of his answer that cream would not be included, because I heard my learned friend from Kamouraska mentioning the noble name of cream, and I thought he was recalling a poetic idyll of the mythological past. I would like to know if cream is included or not.

Mr. WEIR (Melfort): Cream is included in dairy products, but it is not included in products for which we set the standards. At the present time the standards for cream are set by municipalities and provinces.

Section agreed to.

On section 4—Standards of dairy products.

Mr. GARLAND (Bow River): The section in the original act, subsection 3 of section 6 deals with the abolition of power to sell or have in possession for sale a butter not in keeping with the weight of the package that is supposed correctly to represent the weight. Paragraph (a) reads:

No person shall sell, offer or have in his possession for sale,

(a) any butter moulded or cut into prints, blocks, squares or pats, unless such prints, blocks, squares or pats are of the full net weight of one-quarter pound, one-half pound, one pound or two pounds, but nothing in this paragraph shall be held to apply to butter in rolls or lumps, of indiscriminate weight, as sold by farmers.

Paragraph (b) reads:

No person shall sell, offer or have in his possession for sale,

(b) any butter packed in tins or other packages alleged to contain any definite weight of butter unless such package contains the full net weight of butter. . . .

One can see that the original section dealt solely with the selling or offering for sale of packages on a weight basis or standard. There is now proposed to be added to that an entirely new principle, something altogether apart from the question of weight. The proposed amendment reads:

No person shall manufacture, import into Canada, or offer, sell or have in his possession for sale any dairy product which does not conform to the standards and requirements of or is contained in a package contravening the provisions of this part and regulations made hereunder.

First, I would like the minister to explain the necessity and the reasons for this clause. In his explanation I hope he will be able to remove from my mind the opinion that the clause as now drafted imposes a serious hardship and handicap on the farmer who himself is selling butter, for notice what may happen. If my wife is making butter on the

[Mr. Dupuis.]

farm, we bring it into town and we turn it over the counter to a retail store keeper who exchanges groceries for it. That store keeper has no knowledge whatever as to whether the butter is up to the standard and grade required under the bill, that is the new standards and grades to be provided. He has no way of knowing that until that butter has passed through a grader's hands, yet under this clause he may be prosecuted for having in his possession for sale butter which he has taken from a farmer in exchange for goods.

Mr. NEILL: And so may the hon. member.

Mr. GARLAND (Bow River): Yes, so may I. I suggest that a little further thought be given to this clause. In my opinion it deliberately strikes a blow at the small farmer who is selling his own butter and at the storekeeper who is taking it over the counter and offering it for sale. It is a clause which undoubtedly will advance the interests of the milk distributors' combine in Canada. That is the feeling I have in reading the clause and I hope the minister can explain it more satisfactorily.

Mr. WEIR (Melfort): The butter to which the hon. member is referring is usually called dairy butter as distinguished from creamery butter and there is no grading of dairy butter or butter that is manufactured by the farmer.

Mr. NEILL: But this says "dairy product."

Mr. WEIR (Melfort): Yes, "dairy product" as defined in the definition, but there is no grading of butter as manufactured by farmers as the hon. member understands that term.

Mr. GARLAND (Bow River): That is what I am afraid of under the powers we are giving the minister or the governor in council under this act. Will it not be possible, under this act, for the governor in council to pass such regulations as may affect the dairy farmer?

Mr. WEIR (Melfort): There is no change in the power that is granted under this section.

Mr. NEILL: But the interpretation clause states:

"dairy product," "dairy products" or "dairy produce" means any milk, cream, condensed milk, evaporated milk, milk powder, butter—

Just the word "butter"; it does not say "creamery butter." That is any kind of butter, and I certainly believe section 4 will cover dairy butter. I would suggest that the trouble might be overcome if the minister would allow the insertion of the words "more

than ten pounds of" in line 4 so that it would read, "No person shall manufacture, import into Canada, or offer, sell or have in his possession for sale more than ten pounds of any dairy product" and so on.

Mr. WEIR (Melfort): It is less inconvenient to the farmer at the present time. There is no interference with the manufacture and sale of butter by farmers at the present time, nor is it contemplated to take any additional power under this act.

Mr. DUPUIS: Is there any distinction made in the original act between creamery and dairy butter? Under subsection (f) of section 2 all butter is included. It does not make any distinction between dairy and creamery butter.

Mr. WEIR (Melfort): Under part I of the act creamery butter means butter which is manufactured in a creamery and dairy butter means butter manufactured in a dairy. A dairy is a place where the milk and cream of less than fifty cows is manufactured into butter.

Mr. DUPUIS: Is there any other section in the act which gives privileges to one and not to the other? As the hon. member for Bow River has asked, will a farmer be able to sell his butter to the local merchant or to anyone else?

Mr. WEIR (Melfort): Yes.

Mr. DUPUIS: Where is that stated in the act? In the amendment we have only the word "butter."

Mr. WEIR (Melfort): The regulations do not include farmers' butter as described in the first part of the act. The farmers' butter has not been graded in the past, and it is not intended to grade it in the future. Under these changes there will be no more interference than there has been in the past with regard to the farmer manufacturing and disposing of his own butter.

Mr. CASGRAIN: Do I understand that this bill will not affect the farmers' business at all? Do I understand that they will have the right to manufacture and market their butter as they wish without being bound by any of these amendments?

Mr. WEIR (Melfort): That is correct.

Mr. NEILL: But unfortunately the statements of the minister are not incorporated in the act. The minister has said that this bill does not apply to the butter produced by farmers, but in two, three or five years from now the act as it reads will apply, and the act states:

> No person shall manufacture, import into Canada, or offer, sell or have in his possession for sale any dairy product—

and so on. Then I turn to section 2 for the definition of dairy product, and I find that it includes the single word "butter." The one generic term includes all separate definitions. "Butter" includes dairy and creamery butter, and the definition of dairy products must be taken as it appears under section 2, which includes the single word "butter." I would take the minister's word as long as he is minister, but this act will be interpreted as it is written.

Mr. WEIR (Melfort): The regulations do not include farmers' butter.

Mr. GARLAND (Bow River): The statement of the hon. member for Comox-Alberni is strengthened by the statement of the minister as to the bill itself. He points out that the act defines creamery butter as butter manufactured in a creamery and dairy butter as butter manufactured in a dairy. Having made that clear in the interpretation section of the bill surely it is absolutely necessary to carry the proper terminology through the bill in order to describe the exact type of butter to be dealt with. Therefore I would submit that subsection (f) of section 2 should be amended by inserting the word "creamery" before the word "butter." It is only one word; it will not interfere with the minister's intentions but it will definitely place the farmers outside the danger of future adverse action, which may still be in keeping with the legislation.

Mr. WEIR (Melfort): There is nothing in these amendments that makes any change from what has been the practice since this act was first introduced; the regulations do not cover farmers' butter. The regulations are based on the definitions in the beginning of the act, and there never has been any regulation applying to butter produced by farmers in their dairies.

Mr. DUPUIS: Is that only a matter of custom or is it in the legislation? I do not see anything to that effect in the bill, so apparently we have to rely on the good will of the chief executive.

Mr. NEILL: The minister says there has been no change.

Mr. WEIR (Melfort): Not in that respect.

Mr. NEILL: There has been a change by inserting a new section, which states that no one shall have in his possession any dairy product except under certain conditions. That is where the trouble comes in.

Mr. CASGRAIN: The minister says there has been no interference in the past, that the farmers have not been brought under this act. I think in the city of Montreal farmers coming to the markets have had some difficulty with the officials of the Department of Agriculture. I remember some cases coming before the magistrates' courts in regard to men who were offering butter for sale.

Mr. WEIR (Melfort): The farmer whom we consider the dairy farmer never has been interfered with at all as far as federal officials are concerned. There never has been a prosecution against a farmer, according to my information, unless he became a dealer in other butter.

Mr. CASGRAIN: He would not be responsible if he did not sell the finished product.

Mr. GARLAND (Bow River): If the minister will look at the original interpretation section he will find that the term "dairy product" is interpreted to mean any milk, cream, condensed milk, milk powder, butter or cheese, or any other article manufactured from milk, and all imitations thereof. Now we come down to subsection 4 of section 4, which simply refers to dairy products, which include anything made from milk, cream, condensed milk and so on. Surely the farmers' butter is made from cream.

Mr. WEIR (Melfort): No person disputes that.

Mr. GARLAND (Bow River): And the mere fact that the minister says that so far the regulations have avoided the law rather than lived up to it does not justify the position he is taking.

Mr. WEIR (Melfort): Not at all.

Mr. GARLAND (Bow River): I am not finished. A moment ago the minister suggested that the regulations made clear that the individual farmer with less than fifty cows was not to be affected by this legislation and so far had not been affected by any regulations, but as the hon. member for Comox-Alberni pointed out the fact is that he can be affected under the law. The regulations can be changed by order in council.

Mr. WEIR (Melfort): It has always been that way.

[Mr. R. Weir.]

Mr. GARLAND (Bow River): It does not matter whether or not it has always been that way. There are new principles introduced in this new legislation which are of an extremely drastic character. If the minister would turn to clause 22 he will find the following:

> The governor in council may make regulations not inconsistent with this act as to,
> (a) the grading of dairy produce;
> (b) the establishment or designation of grading stores.

And so on. I am in disagreement with any legislation which will give the power to this or to any future minister to affect the individual farmer in his transactions with retail stores, or in the sale of butter to his neighbours. It should not come within the ambit of this type of legislation. I strongly recommend that the word "creamery" should be inserted before the word "butter". If the minister would simply add the word "creamery" in the interpretation clause, then all the subsequent clauses would refer to creamery butter. That is what the minister states he wants to refer to, and nothing else. He does not want the legislation to affect any other kind of butter, and in particular farmers' butter.

Mr. WEIR (Melfort): I believe that the spirit of the act will be better taken care of in this way, in view of the action which has been taken in the past and in view of declared intentions because the administration of any act, no matter how it may be worded, depends to a greater extent on the spirit in which the administration is carried out than on any other factor. Let us suppose that we followed the hon. member's suggestion and inserted the word "creamery", would that not be a challenge to some persons to evade the regulations? As it is there is power to deal with such person.

Mr. DUPUIS: You mean the farmers?

Mr. WEIR (Melfort): Yes, with the farmers. But that power has never been exercised, and there is no invitation to any person, under the cloak of a farmer, to avoid the regulations. I do not think any better assurance of the farmers' protection and the present intentions of those officials could be given than the action which in the past those officials have taken. I feel that in order to provide a protection against the temptation or invitation I have mentioned it would do well to leave the section as it is. In this way dairy butter in the hands of farmers may be treated as I have stated, but against people who would make a practice of purchasing

such dairy butter to any great extent, reworking it and so on, we would be able to invoke the regulations. The chief protection here afforded is the understanding that there is no intention of inconveniencing the small farmer in either the production or sale of his product.

Mr. CASGRAIN: From the explanation given by the minister, and his explanation about section 3 of the bill it appears to me as though the government has the right, by order in council, to fix a new legal standard of the product. What is the reason for this authority? At the present time is there not a legal standard fixed and in force?

Mr. WEIR (Melfort): Is the hon. member referring back to section 3, which has passed?

Mr. CASGRAIN: Yes, because we see in section 4 of the bill a reference to the same point. In section 3 I find the expression "and other dairy products or constituents thereof" Paragraph (a) of section 3 is as follows:

(a) the prescribing of standards and for the definition, classification, marking and branding of butter and cheese and other dairy products or constituents thereof.

Then, section 4 of the bill:

Section 6 of the said act is amended by adding thereto as subsection 4 thereof the following:

"(4) No person shall manufacture, import into Canada, or offer, sell or have in his possession for sale any dairy product which does not conform to the standards and requirements of or is contained in a package contravening the provisions of this part and regulations made hereunder." (New.)

I refer to the expression "to the standards and requirements of"—that existed before. Was there any legal standard? What is the meaning of the expression "legal standard"? Was there not a legal standard before these amendments were contemplated?

Mr. WEIR (Melfort): Yes. And there is no change contemplated in those standards. The widening of the definition is to enable standards to be set up in connection with dairy products covering products which were not produced at the time the act was passed.

Mr. CASGRAIN: Does the minister refer to new dairy products which will be put on the market. I should like the minister to give some explanation as to what he has in view, and what he believes will be those new dairy products. In order to make this amendment necessary there must be new dairy products; otherwise the amendment would not be necessary.

An hon. MEMBER: That would compete with butter.

Mr. WEIR (Melfort): One example, that of processed cheese, is set before us.

Mr. CASGRAIN: What is the processed cheese?

Mr. GOBEIL: Reworked cheese.

Mr. WEIR (Melfort): The blending of cheese.

Mr. CASGRAIN: With what?

Mr. WEIR (Melfort): With different cheeses.

Mr. CASGRAIN: The blending of different cheeses together?

Mr. WEIR (Melfort): And milk, and so on.

Mr. CASGRAIN: In what proportions?

Mr. WEIR (Melfort): It depends on what sort of processed cheese they are making.

Mr. CASGRAIN: Is that the only product which this amendment contemplates in connection with which standards will be required?

Mr. WEIR (Melfort): It refers to any new products which might be manufactured; I have mentioned only one of them. Others may now be in process of manufacture.

Mr. CASGRAIN: Does it refer to butter?

Mr. WEIR (Melfort): Yes.

Mr. CASGRAIN: What will the mixture be for butter?

Mr. WEIR (Melfort): Eighty per cent fat and sixteen per cent moisture.

Mr. CASGRAIN: What kind of butter would it produce then? Would it be as good as other butter?

Mr. WEIR (Melfort): There is no change in the butter standards, none whatever.

Mr. CASGRAIN: It is the same?

Mr. WEIR (Melfort): Yes.

Mr. CASGRAIN: Why is it necessary to place section 4 in the bill if no change is contemplated? I have read section 6 of the act, which section 4 of the bill amends, and I do not think that this amendment, which is marked "new" in the bill is necessary.

The CHAIRMAN: Shall the section carry?

Mr. CASGRAIN: Wait a minute.

Mr. WEIR (Melfort): It is to cover all individual products which would be standardized which are not now defined in the act, or could not be defined until such products came into being. In this particular connection there is no change whatever in the principle of the act.

Section agreed to.

On section 5—Adulteration of dairy product.

Mr. BOUCHARD: Has this section any reference to salt?

Mr. WEIR (Melfort): No.

Mr. CASGRAIN: We find the expression "any foreign substance," and in French the expression "quelque substance étrangère." What is "any foreign substance"?

Mr. WEIR (Melfort): Any substance other than those that enter into the manufacture of butter as defined.

Mr. CASGRAIN: What is butter as defined? What is the prescription for it?

Mr. WEIR (Melfort): It is defined as follows:

"Butter" means the food product commonly known as butter, which is manufactured exclusively from milk or cream or both, with or without the addition of colouring matter, common salt, or other harmless preservatives.

Mr. CASGRAIN: What is a foreign substance?

Mr. WEIR (Melfort): Anything other than that.

Mr. DUPUIS: This amendment is to prevent anything being done to injure the good product?

Mr. GARLAND (Bow River): I have no objection whatever to this amendment if we have a proper definition, but as it now stands, as the hon. member for Kamouraska suggested a moment ago, it might include salt, sugar, colouring matter, the vanilla in ice cream or the strawberry flavouring or the colouring in ice cream. I find in the interpretation clause of the Dairy Act itself a definition of a foreign substance so far as cheese is concerned, but not so far as butter is concerned. I may have overlooked it. Foreign substance is defined in the Dairy Industry Act, section 2 (i) as follows:

"foreign substance" means any substance not necessary to the manufacture of the cheese into which it is introduced.

If the minister would include after the word "cheese" in that definition the words "or other dairy products" it would be satisfactory.

[Mr. Casgrain.]

Mr. WEIR (Melfort): This new section is introduced just to cover that point.

Mr. CASGRAIN: Has the minister in mind any new process or new butter product in which some foreign substance is contained at the present time?

Section agreed to.

On section 6.

Mr. REID: I notice that section 6 provides in 21 (a):

"Dairy produce" means butter, cheese and other food products manufactured from milk.

But in section 2 of part one of this bill I find this definition.

"dairy product," "dairy products" or "dairy produce" means any milk, cream, condensed milk, evaporated milk, milk powder, butter, cheese, ice cream or any other article manufactured from milk and all imitations thereof;

It will be noticed that "dairy product" covers a number of things but "dairy produce" means only butter and cheese and other food products manufactured from milk. Why not the same definition in this part of the act as in the first part?

Mr. WEIR (Melfort): This change in the act is to meet the very insistent demand of practically all provinces in the dominion for power to grade butter and cheese for domestic consumption. The request has come from British Columbia, Alberta, Saskatchewan, Ontario, Quebec and practically every other province. I do not think there has been a request so far from Manitoba. What the provinces are asking is power so that by passing enabling legislation they will be able to grade butter and cheese for domestic consumption chiefly. This is the action they have requested.

Mr. DUPUIS: It will regulate the sale of farmers' butter as mentioned by my hon. friend from Bow River?

Mr. WEIR (Melfort): No.

Mr. DUPUIS: Dairy produce includes produce manufactured by a farmer, does it not?

Mr. WEIR (Melfort): Yes. This is to make it possible to meet the demands of the provinces in this connection. So far as the wording goes, it is similar to the clause in force previously. Farmers' butter will not come under the regulations. In that respect it will be similar to clause 4.

Mr. GARLAND (Bow River): Was the new section 21 (e) also requested by the provinces?

Mr. WEIR (Melfort): It is necessary for the purpose of grading for domestic purposes that these definitions should be inserted.

Mr. GARLAND (Bow River): Is the department going to undertake to design the package or container?

Mr. WEIR (Melfort): No.

Mr. GARLAND (Bow River): What is the purpose of this paragraph about the package or container?

Mr. WEIR (Melfort): We simply approve of the package.

Mr. VENIOT: May I ask the minister why there is a difference between the definition of "package" in this section and the definition in section 2 of the bill? In section 2 (o) "package" means any box, tub, crock, tin, crate, paper wrapper, carton or any other receptacle or covering used for the packing of any dairy product; but in part 2 of the bill, section 21 (e) "package" means any box, paper wrapper, carton or any other receptacle or covering used for the packing of dairy produce.

Mr. WEIR (Melfort): This applies to cheese and butter only.

Mr. VENIOT: But the definition of "dairy product" in section 2 (f) applies to any dairy product and the definition of "package" in 2 (o) includes the words "tub" and "crock". But the words "tub" and "crock" are left out of 21 (e) in part 2. There is a difference in the interpretation there. Which will butter come under? The reason I ask is that butter is often bought in tubs and crocks. I buy my butter from the farmers in crocks or tubs. But under part 2 of this bill I could not do it.

Mr. WEIR (Melfort): It is not the intention to apply this to farmers—

Mr. VENIOT: But under part 2 if I purchased butter in crocks or tubs the farmer would be liable to prosecution because he would be violating that part of the act. Why not insert the words "tubs or crocks"?

Mr. WEIR (Melfort): The request is for the grading of butter and cheese for domestic consumption.

Mr. VENIOT: Under part 2?

Mr. WEIR (Melfort): Under part 2.

Mr. VENIOT: Yes, but you are not allowed to pack in a tub or crock as you are under part 1. Which are we going to adopt?

Mr. WEIR (Melfort): That is covered by the words "or any other receptacle".

Mr. CASGRAIN: I cannot find any reference made to part 1; there is no heading to show the difference between parts 1 and 2.

Mr. VENIOT: The words "or other receptacle" appear in part 1; the subsection reads:

> "package" means any box, tub, crock, tin, crate, paper wrapper, carton or any other receptacle or covering used for the packing of any dairy product.

In part 2 the definition is:

> "package" means any box, paper wrapper, carton or any other receptacle or covering used for the packing of dairy produce.

Why leave out the tub and crock? It would only take a small amendment to have those words included.

Mr. WEIR (Melfort): There is no conflict.

Mr. VENIOT: That is the minister's interpretation but it is not mine; I claim there is a very serious conflict. The minister states that there is no conflict between the two, but I fail to see that that is so. There should be no difficulty in adding the words I have mentioned to part 2. There would then be no possibility of the difference of opinion which could now arise.

Mr. WEIR (Melfort): The words "any other receptacle" would cover that.

Mr. VENIOT: You have those words in the other.

Mr. WEIR (Melfort): Would not the words "any other receptacle" in part 2 include crocks?

Mr. VENIOT: Then why specify the receptacles in part 1; why not just say "any other receptacle"? I claim that having specified them in that part the inspectors could adhere to that specification and a vendor might find himself in trouble under part 2.

Mr. WEIR (Melfort): If the hon. member agrees that everything in part 1 is included in part 2—

Mr. VENIOT: No, I do not.

Mr. WEIR (Melfort): What is there in part 1 that is not included in part 2?

Mr. VENIOT: The words "tub and crock."

Mr. WEIR (Melfort): We are not talking of words, we are talking of receptacles.

Mr. VENIOT: Tubs and crocks are receptacles and they are not included in part 2.

Mr. WEIR (Melfort): In part 2 there are the words "any other receptacle."

Mr. VENIOT: In part 1, after specifying the receptacles you mention also "any other receptacle." Why specify crocks and tubs and then leave them out of part 2?

Mr. WEIR (Melfort): In part 1 we have the definition of package as meaning any box, tub, crock, tin, crate, paper wrapper, carton or any other receptacle; in part 2 a number of receptacles are mentioned followed by the general statement which covers any other receptacle.

Mr. VENIOT: Why were tubs, crocks and tins left out?

Mr. WEIR (Melfort): There was no reason for leaving them out but I see no reason for putting them in; it was just a matter of description.

Mr. VENIOT: Why were they included in part 1?

Mr. WEIR (Melfort): A number of things were described and then in order to cover the whole field we have the words "any other receptacle."

Mr. VENIOT: Why not make it just "any receptacle"?

Mr. WEIR (Melfort): I see no objection to that but I also do not see any gain in making that amendment.

Mr. CASGRAIN: I notice the explanatory note reads:

> It is proposed to use inspectors appointed under the provisions of part 1 of the act to assist in enforcing the provisions of this part and the regulations made hereunder.

The minister stated a few moments ago that the small farmer would not be disturbed by the government inspectors or surveyors. I recall a case in my county about two years ago where a number of farmers got together in order to produce butter. They were not producing on a large scale such as a cooperative society would; they were producing only in a small way, but they got into trouble. I went to the department and saw the officials and as this was their first offence, they were very lenient. I think this bill would cover the farmer who was manufacturing butter in a small way on his farm, possibly with the assistance of his sons or his family. In the case to which I referred the complaint was made in Quebec city and I had to get it settled. I think we should have something more than the assurance of the minister that the farmer producing butter in a small way will not be subject to the provisions of this bill.

Mr. WEIR (Melfort): It would be impossible to define any limit. In the case referred to by the hon. member, a number of farmers got together to produce and sell their butter. What distinction would there be between that and a creamery? I claim that the purposes of the act can be best served by leaving it just as it is now. It is intended to prevent any violations which may occur. The understanding always has been that a bona fide farmer manufacturing butter on his own farm would not come under the purview of these regulations.

Mr. ELLIOTT: I should like to make a suggestion in connection with the question raised by the hon. member for Gloucester (Mr. Veniot): Would there be any objection to saying that a package means any box, paper wrapper, carton or any other receptacle and then add "without restricting the generality of the foregoing" or words to that effect?

Mr. WEIR (Melfort): I see no objection, but I see no gain.

Mr. ELLIOTT: May I point out what the gain would be. If it is left as it is, "Any box, paper wrapper, carton or any other receptacle or covering," unless the words I have suggested are put in, "any other receptacle or covering" could refer only to any receptacle or covering of the same type as those previously mentioned. That is the difference.

Mr. WEIR (Melfort): I regret that I must disagree with the hon. member. As "package" is defined in either case it is broad enough to cover all conditions. Perhaps I am in order in suggesting, in the kindliest possible spirit, because this is a matter for free discussion, that there should be a revision of the composition of the agriculture committee; otherwise it is pretty much a loss of time to take these matters up before that committee.

Mr. CASGRAIN: Does that mean that this will be referred to that committee?

Mr. BENNETT: It has been there.

Mr. WEIR (Melfort): It has been gone into fully by them and returned to this house without amendment.

Mr. CASGRAIN: But as I said a little while ago, we did not have an opportunity to hear all the explanations given in that committee. We cannot be everywhere; we haven't the gift of ubiquity.

Mr. VENIOT: So far as changing the composition of the agriculture committee is concerned, though I am not a member of that committee I am a consumer of butter, and I have as much right as members representing the agricultural interests to have my say before this committee as a consumer.

Mr. WEIR (Melfort): No one has disputed that.

Mr. VENIOT: And as a consumer I am not protected under that clause; that is what I claim.

Mr. WEIR (Melfort): In what way?

Mr. VENIOT: I have already explained it, and the minister cannot tell me why tubs and crocks have been left out of the definition.

Mr. WEIR (Melfort): Are they receptacles? If they are, they are covered.

Mr. VENIOT: Yes; but why put them in in the first part of the bill and not in the second? There must be an object. I do not want to be suspicious or to attribute motives at all.

Mr. WEIR (Melfort): Each part of the bill was prepared at a different time. I see no gain in changing the wording either in part I or in part II, because in part II the definition of package includes everything in part I. The wording was prepared at different times. The receptacles indicated in part II will include everything in part I. No additional purpose would be served by making the change, and I feel we are wasting the time of the committee in further discussion.

Mr. ELLIOTT: Does the minister intend by "any other receptable or covering" to include receptacles of a kind or type different from any box, paper wrapper or carton?

Mr. WEIR (Melfort): No, that is not intended—any other receptacle.

Mr. ELLIOTT: Any other receptacle, even if different from boxes? Then I want to submit, and I know that the Prime Minister will agree with me, that this does not express the idea.

Mr. WEIR (Melfort): Will the hon. member repeat the question?

Mr. ELLIOTT: "Any box, paper wrapper, carton or any other receptacle or covering used for the packing of dairy produce" means only any other receptacle or covering of the type already mentioned, namely, boxes, paper wrappers or cartons. If the minister intends it to include coverings other than boxes, paper wrappers or cartons, he must put in the words I have suggested in order to convey that meaning.

Mr. WEIR (Melfort): It is intended to cover all types of receptacle which it might be considered satisfactory to use.

Mr. ELLIOTT: If that is the intention, may I point out with great respect to the minister that that intention is not conveyed now, because as it is worded now it covers only boxes, paper wrappers, cartons or other receptacles or coverings of that nature.

Mr. WEIR (Melfort): It does not say "of that nature" here.

Mr. ELLIOTT: I know, but it does not need to, and the Prime Minister will say so.

Mr. BENNETT: He will say that this matter has been considered by the agriculture committee, and considered very carefully too, and reported back without amendments.

Mr. ELLIOTT: Who will say that—the Prime Minister?

Mr. BENNETT: Yes, he is saying it now.

Mr. ELLIOTT: The committee on agriculture no doubt knows a lot more about agriculture, but they do not know more about the drafting of a statute than lawyers do, and I do not think that the Prime Minister would suggest that the agriculture committee knows more about drafting a statute than he does.

Mr. BENNETT: I once heard of a distinguished lawyer whose friends said he was easily the best farmer in the district while a farmer friend said he was easily the best lawyer in the district. That has no personal application, although the hon. member for Charlevoix-Saguenay expects me to say it refers to him.

Mr. VENIOT: "Any other receptacle or covering" would allow a farmer who perhaps might not be always disposed to strict cleanliness to bring in butter and sell it from door to door wrapped up in cloth, as I have seen some do. Now that is a covering; it may not be a receptacle but it is a covering, and that is why, to protect the consumer against that sort of thing, I want these definitions specified.

Mr. WEIR (Melfort): The hon. member may still get his butter in cloth if he wishes it.

Mr. VENIOT: But I do not want it; I want to prevent that, because it is not sanitary, and I submit that the consumer is not being protected from that standpoint.

The CHAIRMAN: Shall the section carry?

Mr. CASGRAIN: No; we are waiting for the light.

Mr. ELLIOTT: What is the objection to having the clause cover what is intended?

Mr. WEIR (Melfort): The chief reason is that it would be impossible to enumerate everything that might be used as a package.

Mr. ELLIOTT: That is just the object that would be effected by the amendment I suggest. If you amended it so as to read: "Package means any box, paper wrapper, carton, and, without restricting the generality of the foregoing, any other covering or receptacle used for the packing of dairy produce," you would have the effect which the minister says he is aiming at. As it stands, either the Prime Minister or the Minister of Justice will say that that idea is not conveyed.

Mr. WEIR (Melfort): As the hon. member knows, this bill has been submitted to the Department of Justice. The subject matter of the bill comes under the Department of Agriculture: the drafting of it rests with the Department of Justice.

Mr. CASGRAIN: They can make mistakes too.

Mr. VENIOT: You cannot have regulations when you define by statute.

Mr. WEIR (Melfort): We might define the material but not the character of the package.

Mr. VENIOT: Seeing that there is quite a difference of opinion on this matter and that another clause of the bill stands, I suggest that this be allowed to stand also so that the minister might go into it and consider it seriously. I am in earnest about this matter. As a consumer I feel that I am not sufficiently protected by the bill. I do not want to obstruct it; I do not wish to take any conveniences away from the farmer or the dairyman, but as a consumer I claim that I have a perfect right to be protected and if I think I am not, I have a right to express my opinion. I would ask the minister to allow this clause to stand and to give it further consideration. He says that the bill has been drafted at different periods and perhaps the second part was drafted by a different individual from the one who drew up the first part. The individual who prepared the second part may have overlooked the definition of "package" in the first part and if the clause is reconsidered and revised, the minister can then come back to the committee and give us his studied opinion.

Mr. MOTHERWELL: Of course the agriculture committee is not infallible but while this description of "package" is marked "new," so far as I recollect the description is the same as it has always been for any of these commodities. Mention is made of a number of things and then the words "or any other," are added, because there is always some other. The technical, legal term as stated by the hon. member for West Middlesex is quite right, but this is the ordinary phraseology. The language of the section is for two classes: the language is primarily for the farmer and then when some difficulty occurs where the services of lawyers are required, maybe we should have another description.

Mr. VENIOT: What about the consumer?

Mr. MOTHERWELL: The consumer will have a lawyer to represent him.

Mr. VENIOT: Not at all.

Mr. MOTHERWELL: I have no objection to a second technical legal phraseology as suggested by the hon. member for West Middlesex. I have seen that kind of phraseology and have often wondered what it meant. We would always have to have a lawyer around to explain the meaning. But anyone would know what the definition in the bill means. Instead of reciting a hundred different kinds of packages, it recites a given number and then adds the words "or any other." That description of course may be wrong from the strictly legal standpoint, but it is intended for common, everyday people. We do not want to have to be running to lawyers all the time for interpretations of enactments; that is a luxury we cannot afford these days.

Mr. ELLIOTT: There is no doubt that if the bill is left as it is it does not convey what the minister intends it should—

Mr. WEIR (Melfort): It does.

Mr. ELLIOTT:—or what the ex-minister thinks it conveys. It will certainly have an interpretation from a lawyer before very long because it does not convey what it is intended it should. Following up what my hon. friend has said, I may say that the ex-Minister of Agriculture is quite wrong when he speaks of a description and a legal description. There is just the one legal description and that is not the one we do have here. I would say to him that the clause is improper as it is worded

and while it is all very well to say that people do not want to run to lawyers, my hon. friend would be one of the first to be running to a lawyer if he were to get into any difficulty. That is an old story. The man who decries the lawyer the most loudly is always the earliest at his office when he is in trouble. I see no reason why the suggestion made by the hon. member for Gloucester should not be followed, that is that the clause be further considered. The minister should consider the matter and have the clauses made comparatively uniform and drafted so as to mean what is intended.

Mr. WEIR (Melfort): I see no ground for allowing the clause to stand. I do not understand the hon. member's statement that it does not include what it is intended to include. As far as I understand it does.

Mr. ELLIOTT: I contend that it does not.

Mr. WEIR (Melfort): As there is no ground for letting the clause stand, I do not think it would be advisable to waste any more time by a further discussion on it or allowing it to stand for further consideration. It has been given very full study and covers the intent and purpose of the legislation.

Mr. ELLIOTT: I just want to object to the expression used by the minister with regard to wasting any more time. We are not wasting time; we are endeavouring to save time, and the minister will find that he will save time by not taking quite as arbitrary an attitude as he has done with regard to this clause. Let me tell him what I am willing to do. If the Minister of Justice or the Prime Minister, who are present and each of whom is a fairly good lawyer, will say that the clause means what the minister says he intended it to mean, then I shall not move the amendment which I had thought of moving.

Mr. MOTHERWELL: All these bills go through the Justice department.

Mr. ELLIOTT: Will the hon. member wait a moment until we hear from the Minister of Justice?

Mr. BENNETT: That is the way to do it.

Mr. GUTHRIE: Will the hon. member for West Middlesex tell me what his point is?

Mr. ELLIOTT: Clause 21, paragraph (e) reads:

> "Package" means any box, paper wrapper, carton or any other receptacle or covering used for the packing of dairy produce.

As it stands, if there is nothing more, it means any other receptacle or covering of the kind before mentioned. That is the legal interpretation. What I say should be stated if it is intended to cover a receptacle or covering of a kind not before mentioned is:

> different from a box, paper wrapper or carton and without restricting the generality of the foregoing, any receptacle or covering.

Mr. GUTHRIE: The language as I read it:

> "Package" means any box—

That does not imply paper at all.

> —paper wrapper, carton or any other receptacle or covering used for the packing of dairy produce.

I think that is broad and general enough to include almost any material one could put in. Under the rule of sui generis, to which my hon. friend refers, "goods of the same general description or genus or class" is the term used in all judgments on the subject. There is the word "box" which I judge might be made of any material; then we find "paper wrapper or carton" which may be made of metal, paper or any other substance. Then follow the words:

> Or any other receptacle or covering used for the packing of dairy produce.

Mr. VENIOT: Will the minister look at part I, at the definition of "package" in paragraph (o). Why leave out the words "tub, crock, tin, crate"? That is my objection to the bill.

Mr. GUTHRIE: That is a definition, and the word "package" does include:

> Box, tub, crock, tin, crate, paper wrapper, carton or any other receptacle or covering used for the packing of any dairy product.

I do not think that interferes in any way with clause 21 that I have just been reading.

Mr. VENIOT: I want to know why those words are omitted from part II. Why not specify them in part II just as in part I?

Mr. WEIR (Melfort): That matter was explained some time ago.

Mr. VENIOT: Not to my satisfaction.

Mr. WEIR (Melfort): The description enumerates certain kinds of packages, and because all could not be foreseen the general statement "or any other receptacle" follows. There would be no difficulty if we added three, four or half a dozen specific containers or receptacles, but it is felt that the words "or any other receptacle" give a wider meaning.

Mr. ELLIOTT: Unless the minister agrees with my suggestion I am not going to say any more; I will simply move the amendment that I think will give the section the meaning the minister says it intends to have. The Minister of Justice has quite properly stated the rule and by his statement has made it quite clear, I submit, that this does not include any other receptacle or covering of a kind or sort different from those previously mentioned. I take it that I am correctly interpreting his views.

Mr. GUTHRIE: Yes, I think so.

Mr. ELLIOTT: Now the Minister of Agriculture says he does not intend to include any receptacle of a kind or sort different from what is already mentioned, that is, box, paper wrapper or carton.

Mr. GUTHRIE: But the word "box" would include any kind of box. It does not have to be of wood or paper.

Mr. ELLIOTT: Quite so, and "carton" would mean any kind of carton, while "paper wrapping" might mean any kind of paper wrapping. Then there are other things that might be included, and they are intended to be covered by the latter clause, but that cannot cover them unless the words I suggest are inserted.

Mr. GUTHRIE: We may be at cross purposes, but I must say that I think the language of the bill as it appears now is ample for all purposes, and I do not see any advantage in adding to it.

Mr. ELLIOTT: Might I just ask the Minister of Justice whether, in his opinion, this clause is broad enough to include any covering that is neither a box, a paper wrapper or a carton.

Mr. CASGRAIN: What is the reason for the difference in the two descriptions of a package? Why leave out some things in this description of a package which are included in the other description?

Mr. GUTHRIE: One description is in part 1 of the bill and the other is in part 2; that is all I can say.

Mr. WEIR (Melfort): The reason has been given a number of times this afternoon, not only by myself but also by the hon. member for Melville. It is a matter of practice, in describing packages, to enumerate some, and because all cannot be foreseen the phrase "or any other receptacle" is added to cover those not specified. Nothing could be clearer than that.

Mr. VENIOT: If I understood the Minister of Justice correctly he said, in answer to my question as to why the words tub, crock and tin were left out of part 2, that I was presupposing a reason. I have been presupposing a reason right along. There must be some reason for having left out those words in part 2.

Mr. WEIR (Melfort): No reason whatever.

Mr. VENIOT: Then why not insert them and end all this discussion?

Mr. WEIR (Melfort): There would be no gain in inserting them.

Mr. VENIOT: I do not want to use this term offensively, but if the minister is so stubborn that he will not listen to the opinions of others who feel that they are aggrieved under this section I do not see any use at all in bringing a bill of this kind before the committee.

Mr. WEIR (Melfort): I think it will be agreed by hon. members of the committee that the hon. gentleman who has just taken his seat is perhaps in the best position of any member of the house to understand the meaning of the word stubborn. I take no offence, therefore, from the remarks he has made. All I say is that in my estimation this includes as much as is included in the definition in part 1.

Mr VENIOT: It does not.

Mr. WEIR (Melfort): Would the hon. gentleman indicate what is not included in part 2 that is included in part 1? "Any other receptacle" would include tubs, crocks and the other articles not named in part 2 but named in part 1.

Mr. VENIOT: Then why leave them out?

Mr. WEIR (Melfort): As I have stated a number of times, it is a matter of custom in defining anything of this kind to specify some and include the general statement afterwards.

Mr. VENIOT: Not when the definition appears twice in the same act.

Mr. ELLIOTT: I move that the subsection be amended by adding after the word "carton" the words "and without restricting the generality of the foregoing."

Mr. MOTHERWELL: Just before that amendment is put I should like to say a word. I have no doubt that this amendment is correctly drawn up from a legal point of view, but I have always taken the view that we should use as few legal terms and classical

expressions as possible. We often say "modus operandi"; can we not say, just as easily, "mode of operation"? There are many other expressions used in our legislation that we could easily dispense with in favour of the plain language, especially in legislation dealing with agricultural matters. That may be just an opinion of mine, but it is an opinion I have held and have tried to carry out all my life. With all due respect to the technically correct draftsmanship of my legal friend, I like the present form better. I admit that I am old fashioned, but in some things I hope to remain old fashioned, and this is one of them.

Mr ELLIOTT: If my hon. friend prefers an illegal clause to a legal clause, as I understand he does, he will have to oppose the amendment.

Mr. VENIOT: In order to make the situation plain to the ex-Minister of Agriculture may I say that my objection was taken because part 1 included the words tub, crock and tin, under the definition of a package, but in part 2 those words are left out.

Mr. MOTHERWELL: It would not make a bit of difference if they were all left out but one.

Mr. VENIOT: Let us take the word "wrapping." That is not defined in any part of the act. Butter can appear for sale on the market wrapped in old newspapers. What is to prevent that? I am taking an extreme case, but that is the only way we can get to the bottom of this matter. What is to prevent a farmer coming to market with his butter wrapped up in old newspapers, with no other wrapping at all?

Mr. SHAVER: The board of health.

Mr. VENIOT: You do not always have a board of health.

Mr. WEIR (Melfort): "Paper wrapper" appears in both parts.

Mr VENIOT: Quite so, but under this clause what is to prevent a farmer from coming to market with his butter wrapped up in old newspapers?

Mr. BENNETT: He could not sell it; that is all.

Amendment (Mr. Elliott) lost on division.

Subsection 21 agreed to.

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On subsection 22—Regulations.

Mr. BOUCHARD: May I ask the minister if there is an advisory committee representative of the interests of the producers and manufacturers to work out with the minister and his officials the regulations to be approved by the governor in council, as was done in connection with the Grain Act and some other legislation?

Mr. WEIR (Melfort): They have been submitted to the representatives of the provinces, and approved by them.

Mr. BOUCHARD: And in the future that will be done?

Mr. WEIR (Melfort): Yes.

Mr. CASGRAIN: Has the minister any idea as to what fees will be charged to the farmers? From the French bill I read:

(f) L'imposition de droits pour le classement des produits laitiers.

What fees will be charged?

Mr. WEIR (Melfort): No fees applying to farmers.

Mr. CASGRAIN: What are the fees to the dairy industry?

Mr. WEIR (Melfort): Only when there is regrading to be done.

Mr. BOUCHARD: Is there any provision for the grading of homemade butter? Of course as the minister is aware there is no such provision. Perhaps I may be considered old fashioned, but I am still of the opinion that despite the progress of the dairy industry there is no modern process which can replace the good flavour of homemade butter. Of course such butter has acquired a bad reputation because in olden days there were no refrigerators, and the butter was placed on the market all at once in the months of November and December. I know that to this day on the Paris market in France the butter which draws the highest price is the homemade butter manufactured in Issigny. That butter is made according to the old fashioned methods. I have tested most of the different kinds of creamery butter made in Canada, and I must say we have no butter which can compete with the French butter I have just mentioned. Would the minister consider that the encouragement of the manufacture of homemade butter would be worth while, so that people who have maintained a taste for this butter may be able to secure it? Perhaps those people are not very numerous.

Mr. WEIR (Melfort): I agree entirely with what the hon. member has said. A good deal of consideration has been given to the possibility of grading what might be called domestic butter. Reports up to the present indicate that the quantities affected are not sufficiently large, and that the whole problem is too involved. That is one of the questions which has always received careful consideration, because I agree with the hon. member that we would have achieved a great gain if we could encourage the production of that class of butter.

Subsection 22 agreed to.

Subsections 23, 24 and 25 agreed to.

Section 2 agreed to.

On the preamble.

Mr. BROWN: Although the section has been passed I should like to refer to part 2, the new section 22. As the explanatory note says:

> This subsection previously read "the grading of dairy produce intended for export." The words "intended for export" are omitted in order to provide by regulation for the grading of dairy produce for domestic consumption.

Of course we do not know what the regulations may be, but I should like to ask the minister to what extent it is intended to interfere with the selling of homemade butter by the farmer himself to the consumer. That is very common. Most of the butter handled by the local merchants is undoubtedly creamery butter, and as such is subject to grading, but very frequently the merchants will take in a small lot of dairy butter. That butter does not go on to the market; that is, it is not shipped out of that community but is passed on to local consumers. Will that butter be subjected to grading?

Mr. WEIR (Melfort): No.

Mr. BROWN: I am glad to hear that. It is only a small proportion of the total trade, and while I am heartily in favour of the principle of grading I think that small trading of that class should not be interfered with.

Preamble agreed to.

Bill reported, read the third time and passed.

DESTRUCTIVE INSECT AND PEST ACT

The house in committee on Bill No. 39, to amend the Destructive Insect and Pest Act—Mr. Weir (Melfort)—Mr. MacDonald (Cape Breton South) in the chair.

[Mr. Bouchard.]

On section 1—rights of provinces or of governor in council not affected.

Mr. CASGRAIN: This is a very lengthy section with several lines underlined. In the bill that has just passed the house we asked for a clause similar to what is contained here, "notwithstanding the generality of the terms of this act," but that was not allowed to be inserted. Very extensive powers are being given under this section. For instance, the power of the governor in council is to extend to any matter within the scope of this act, "notwithstanding the existence of any provincial law relating thereto." As I was not in the agriculture committee I would ask the minister to give us an explanation of this important section.

Mr. WEIR (Melfort): We shall look forward to having the hon. member in the agriculture committee after the interest he has shown this afternoon.

Mr. CASGRAIN: I shall be very glad to assist you.

Mr. WEIR (Melfort): The purpose of this section is to make clear certain questions that have arisen since the passing of the act last session. That is the sole purpose. It was thought that with the passing of the act last session, if the federal government undertook any control or passed any legislation with reference to anything coming within the purview of the act, the province could not deal with that particular problem in relation to their own particular difficulties, but that if the federal government had not passed the legislation the provinces would have been free to do so. There are certain cases where that did not work satisfactorily. In connection with the corn borer, for instance, the dominion government passed certain regulations with reference to the importation of corn from certain states in the United States, and under an interpretation of the act as it stood, it was thought that such action might prevent the province of Ontario from passing any legislation looking to the control of the corn borer or with reference to cultural methods or anything of that kind. Similarly with the grasshopper pest in the western provinces. It clears the bill of what might be considered a misunderstanding and makes it perfectly clear that a province is free to introduce any legislation it wishes so long as such legislation is not repugnant to the federal legislation.

Mr. CASGRAIN: The section states:

> —but the power of the governor in council shall nevertheless be construed as ample to

extend from time to time the application of this act and the regulations made thereunder, to any matter and to every aspect of any matter within the scope of this act, notwithstanding the existence of any provincial law relating thereto.

I understand that this parliament has the right to appeal the laws passed by other legislatures but I think in the matter of agriculture all the provinces are cooperating together and I should like to know if the minister has in view certain provincial legislation which it might be considered should be overridden in order to make the application of this act more complete.

Mr. GUTHRIE: The provinces asked for legislation.

Mr. CASGRAIN: Did the provinces ask for that?

Mr. WEIR (Melfort): Yes.

Mr. CASGRAIN: They seem to give up certain power which they have.

Mr. WEIR (Melfort): The act of last year stated that if the federal government did not pass legislation with reference to any of these matters, the province might do so. It may be that a province might pass legislation to deal with some of these insects, but the federal government would not be prevented from passing similar legislation to cover the whole dominion. This amendment is made in order to prevent the overriding referred to by the hon. member and to make cooperation possible.

Mr. CASGRAIN: Have any representations been made by the Department of Agriculture of Quebec?

Mr. WEIR (Melfort): There is a case in Quebec which this will cover.

Mr. CASGRAIN: They are agreeable to it?

Mr. WEIR (Melfort): Yes.

Section agreed to.

Bill reported, read the third time and passed.

LIVE STOCK AND PRODUCTS ACT

Hon. ROBERT WEIR (Minister of Agriculture) moved that the house go into committee on Bill No. 40, to amend the Live Stock and Live Stock Products Act.

Motion agreed to and the house went into committee, Mr. Gobeil in the chair.

On section 1—Definitions.

Mr. CASGRAIN: I do not know whether I am in order but this would seem to be a good opportunity to obtain some information with regard to certain export trade which was carried on in Montreal. I was told some time ago by people connected with the live stock industry that the government had paid a bonus or provided certain credits to a firm in Montreal which was exporting cattle to England. I do not know whether this was done under the provisions of the relief act. There was a gentleman, I think named Richardson, who was connected with a firm known as the Richelieu Company. This company purchased a large quantity of live stock in Ontario for which some farmers were paid while some were not. Apparently the government gave some money to this company to help it refit boats and make them suitable for cattle shipping. I have no accusations to make in this regard but as we are talking about the exporting of live stock, perhaps the minister could give us some information in connection with this venture.

Mr. WEIR (Melfort): The act as it stood before this bill was introduced gave the power to fix the charges of live stock commission men and also the charges for the handling of stock or yardage at the stockyards. There was also the provision for a bond to protect the producer or whoever might be selling stock to these people. The act did not include an exporter or an exporter's agent as it is only recently that there has been any export trade of this kind. This amendment is to make possible the fixing of charges by and the bonding of an exporter or an exporter's agent in order to protect the people whose stock may be handled. In the case of the corporation to which the hon. member refers, it would have been possible to have the people bonded. I do not know the details of the matter, but the farmers who I understand have had a loss are following it up and are being given every assistance. It has been the policy of the government during the past three or four years to make certain that there would be space available for cattle intended for export, and to prevent any increase in the freight charges, in certain instances boats have been fitted up for the carrying of the cattle. My understanding however is that no subsidy was given to individuals outside of the steamship companies that fitted up the boats.

Mr. CASGRAIN: What is the name of the steamship company that fitted up the boats?

Mr. WEIR (Melfort): The Manchester lines and Anchor-Donaldson.

Mr. CASGRAIN: Has the minister the figures paid in each instance, and the number of head of cattle exported under the new policy adopted last year?

Mr. WEIR (Melfort): We have not the figures for cattle exported, nor have I the figures as to the money paid, because this work has not been handled under the Department of Agriculture.

Mr. CASGRAIN: Under what department?

Mr. WEIR (Melfort): The Department of Trade and Commerce.

Mr. CASGRAIN: When either the Department of Trade and Commerce or any other department made these arrangements with shipping companies for fitting up boats, as indicated by the minister, and when apparently some encouragement was held out to induce people to ship cattle to the old country, were these things done under any authority? Under what authority was the transaction carried out?

Mr. WEIR (Melfort): Is the hon. member asking under what authority the boats were fitted up?

Mr. CASGRAIN: Yes.

Mr. WEIR (Melfort): Under the authority of the Farm Relief Act, I believe, to give assistance to the marketing of agricultural products, in this instance, cattle.

Mr. CASGRAIN: I do not know the minister personally very well, but from the point of view of cattle and agricultural matters generally I know that he is a highly qualified member of the government. I do not understand how this matter stands. If the export of cattle had to be encouraged and extended, surely it should have been done under the direction of the Minister of Agriculture rather than under the Minister of Trade and Commerce. The Minister of Trade and Commerce sees to the opening up of new avenues of commerce here and there, having Canadian representatives in various dominions and countries promoting the sale of the different forms of produce which we have to export. I submit, however, with all due deference to the persons who carried out this transaction, that it is a reflection on the Minister of Agriculture to have removed from his purview this very important part of the work of improving conditions in agriculture, in connection with the cattle export in this case, and putting the matter in the hands of the Department of Trade and Commerce, without any control on the part of the Minister of Agriculture, who I submit is the member of the government best qualified to direct such operations, and to indicate to individuals who wanted to go into the cattle export business exactly how they should set about it.

I have not all the details of the transaction, but I am told that it is not too rosy, and that some people have suffered losses in consequence. I know that the minister, being himself a farmer, should have been the one directing these operations. I do not think it is fair to divide between two departments the administration of a branch of agricultural activities. The Department of Agriculture should be charged with the responsibility of developing the cattle export trade, but here we find the Minister of Trade and Commerce stepping in. I do not know what was done, but as the result of inducement, or friendship, or the belief that it would make a good story, certain privileges or bounties were given, or certain prices were paid to allow individuals to go on with that trade, developing it, with the result that to-day the Minister of Agriculture does not seem to know anything about it, although he is the man most competent to inform the country regarding the matter. He can only say, "I do not know anything about it, because it was not done under my department but under the Department of Trade and Commerce." It seems that the Department of Agriculture has been deprived of an important function in this regard.

Mr. GUTHRIE: My hon. friend is mistaken in that. This is in the nature of a steamship subsidy to fit up ships for cattle. My hon. friend has been long enough in the house to know that all steamship subsidies and subventions are under the Department of Trade and Commerce, and have been for the last thirty years.

Mr. CASGRAIN: We had not known that it was done that way.

Mr. GUTHRIE: The subsidies granted for the carrying of mail from the post office are also all granted by the Department of Trade and Commerce. Consequently, when money was to be advanced for the fitting up of steamships for carrying cattle, the proper department to do it was the Department of Trade and Commerce, which I understand carried it out. And, if my memory serves me, it was under the provisions of the farm relief legislation. I am not familiar personally with the particular transaction to which my hon. friend has referred, but I know

that my hon. friend from West Middlesex is familiar with all the details. The matter is under consideration. We are all very anxious to find a settlement for those men who I am afraid have been swindled out of their cattle, though through no action of the Department of Agriculture nor of the Department of Trade and Commerce, but through the operations of a company, which operations may be considered very questionable.

Mr. CASGRAIN: I do not want to blame anyone or make trouble or accuse people of wrongdoing if no wrong has been done, and I am glad that the Minister of Justice has given this explanation. The Minister of Trade and Commerce is here and I have no doubt the committee would be glad to hear what he has to say, because we were told that some encouragement had been given and I understand now that it was by way of subsidies to steamship companies to promote the export of cattle. I understand also—a man named Richardson, I was informed, had something to do with it—that a small company solicited farmers to export cattle through them, pointing out that the ships were ready, but the result was a loss to members of the farming community. The whole thing has left a bad taste in everyone's mouth. As I say, I do not want to blame anyone before I have heard exactly what the situation is, and I should be glad to hear from the minister who had charge of the transaction an explanation as to any guarantees that were given, whether the companies were subsidized and to what extent, who initiated the project and when it was started.

Mr. ELLIOTT: Unfortunately I do know a good deal about the transaction to which my hon. friend and the Minister of Justice have referred. I am not sure that at present it is possible for anyone to say exactly how the situation stands. It is quite correct, so far as I have been able to ascertain, that what assistance has been given by a department of the government has been given by the Department of Trade and Commerce. At the present time assistance is also being given by one of the other departments whose assistance is, I think, valuable and the matter is under consideration. I assume that an opportunity may be given—I do not know whether this would meet the view of the hon. member for Charlevoix-Saguenay—to discuss the matter later when we know something more definite, as I think we may within the next few days, as to the real situation. I knew the situation was bad last week, but it is much more regrettable than anyone imagined at that time and I think it is one which should receive the most careful and sympathetic consideration of all the various departments interested and of the different members of the house. I did not know that the matter was going to be introduced on this bill because I was aware that it did not come under the Department of Agriculture, but I would make the suggestion, if it meets the views of the hon. member for Charlevoix-Saguenay and the chairman, that the matter might be discussed to better advantage after the facts are known.

Mr. STEVENS: I fully appreciate the observations of the hon. member for West Middlesex whose attitude throughout in the matter, so far as I am concerned, has been very reasonable. His suggestion, I think, is quite sound; it would perhaps be better if the matter were discussed when such steps as are now being taken have progressed a little further.

In answer to my hon. friend's question of a moment ago I can state in two or three sentences the essential features of the matter. During the past two years, in order to assist in the movement of cattle to the British market, we have assisted a number of steamship companies to fit out ships for the carrying of cattle, that is, to construct in the ships stalls in accordance with the regulations of the British board of trade. I think, generally speaking, we have paid an average of about $10 to $14 a stall, the amount varying in some cases. The reason we had to step in was that so irregular had been the movement of cattle from Canada to Great Britain that steamship companies refused to put in the stalls, because to construct them say for one trip, woud result in a loss. When we undertook this, the cattle rate was $20 a head, but by our putting in the stalls, the steamship companies cut the rate down in most cases to $12 a head and in some cases to $15 a head. Therefore a very substantial saving was achieved. I think between sixteen and twenty vessels were fitted out, but I have not before me the exact number. On several occasions I brought the vote before parliament and in one instance the money was paid out of the relief appropriation.

As regards the particular case to which reference has been made, two ships were fitted out for the steamship companies, which ships were chartered by the Richelieu Company of Montreal. The iniquitous part of the matter is that the Richelieu corporation purchasing cattle from the farmers undertook the shipment of the cattle to the old country, col-

lected payment and did not pay the farmers. That is roughly the story, and without any question there was not only a very serious injustice but in my estimation a crime perpetrated against the farmers. The government, as pointed out by the Minister of Justice, will cooperate in every possible way in, shall I say, the securing of a remedy or justice to the farmers, and the matter is in progress at the present time by some action jointly taken by a group representing the farmers, every cooperation being given to that effort. But as the hon. member for West Middlesex said a moment ago, it might be better if the whole question were left for discussion at some time when it was understood the matter would be discussed after further information had been received in regard to the situation.

Mr. ELLIOTT: Perhaps the suggestion is the best one at the present time, and I take it that later there will be an opportunity for debate if it is considered desirable to discuss the matter?

Mr. STEVENS: Yes.

Mr. ELLIOTT: Under some heading I am satisfied the minister could provide such an opportunity.

Mr. STEVENS: There will be no difficulty about providing an opportunity.

Mr. ELLIOTT: I am hoping that something more satisfactory than appears at the present time will result.

Mr. CASGRAIN: As regards the company to which the minister has made reference, and respecting which he mentioned that money had been paid under a certain act to fit out two boats, was it a company that had been in business and in that trade for a long time? Was it a responsible company when it applied to the government?

Mr. STEVENS: If I am wrong hon. members may correct me, but I understand the company owned the old Bickerdike pier. The lairage is there—cattle pens and shipping facilities. So far as I know they had been operating for a number of years.

Mr. CASGRAIN: Does the minister know who is at the head of the company? Was it a company incorporated by letters patent or merely an ordinary firm doing business?

Mr. STEVENS: I understand it is an incorporated company known as the Richelieu Company. I am speaking without the record. The president is Mr. Richardson with whom there was another gentleman by the name of Morgan.

[Mr. Stevens.]

Mr. CASGRAIN: E. A. D. Morgan.

Mr. STEVENS: I could not say as to the initials. There was also a Mr. MacDonald who acted in the establishment of contacts in the old country. They made contacts with the London port authorities which in a measure contributed to the establishment of the lairage in London.

Mr. CASGRAIN: How much was paid to the Richelieu company?

Mr. STEVENS: The amounts paid were paid for the installation of stalls on the ships, and no amount was paid to the Richelieu corporation other than what was paid on those stalls.

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

After Recess

The house resumed at eight o'clock.

RAILWAY ACT AMENDMENT

Mr. THOMAS REID (New Westminster) moved the second reading of Bill No. 21, to amend the Railway Act (rates on grain).

Some hon. MEMBERS: Explain.

Mr. REID: Mr. Speaker, the bill to which I am asking the house to give second reading is practically the same bill that was introduced last session. Briefly it asks parliament to give the people of British Columbia what was given to the people of the eastern provinces in 1897 and reaffirmed, with certain changes and amendments, in 1925. I introduced the bill in 1932, and at that time objection was taken that the wording was not exactly clear. Objection was taken because the bill contained these words:

> provided that notwithstanding anything in this subsection contained the rates on grain and flour shall on and after the 27th day of June, 1925, be governed by the provisions of the agreement made pursuant to chapter 5 of the statutes of Canada, 1897.

As I say objection was taken at that time; it was said that if the bill passed in that form it would be retroactive to 1925. So in 1933 I deleted that clause and brought in the bill in much the same form as it now appears. I might become discouraged after bringing forward this bill year after year without success were it not for the fact that I consider that a great injustice has been done the province of British Columbia in that it has been long denied what the other provinces have enjoyed in regard to freight rates. So my hope

has been renewed, and as far as I am concerned I have made up my mind that so long as I am a member of parliament I will continue to introduce this bill or until we obtain that for which we have long sought.

I do not intend, Mr. Speaker, to cover all the ground that has been covered during previous presentations of the bill, but there are some salient points with which I should like to deal in an endeavour to clear away many of the misconceptions and erroneous beliefs prevailing among some hon. members at least, because after listening to the arguments of some hon. gentlemen I am of the opinion that they are not exactly clear as to the position of British Columbia and as to what that province requests. Let me say right here that we are not asking for any special privilege, nor am I asking that this parliament become a rate fixing body. I am asking for equality, and surely no hon. member would deny the same treatment to the people of the province of British Columbia that has been given the people of the other provinces.

First of all, Mr. Speaker, I should like to deal with some of the erroneous ideas held by various hon. members in an endeavour to overcome their misunderstanding with regard to our appeal. I should like to speak for a moment as to the costs of construction, because in the past these appeals have been met with the argument that this differential exists because of the mountain differential, and perhaps many hon. members think of traffic to British Columbia as climbing up the mountains from this side and going down the mountains on the other side. So they believe its costs more to construct a railway to British Columbia and that the cost of maintenance is higher. I should like to quote from the judgment delivered by the board of railway commissioners in September, 1927, in the general freight rates investigation; in the sworn evidence given during that investigation by those who were in a position to know the cost of constructing the railway to British Columbia and the maintenance costs I find some very interesting facts. I am going to take up the time of the house to quote one or two striking examples. The cost of construction from Kamloops to Hope, a distance of 168 miles, was $133,563 per mile; the cost of constructing the line from Montreal to Ottawa, a distance of 111 miles, was $178,614 per mile. The cost of construction from Hope to Fraser River Junction, another portion of the railway in the province of British Columbia, covering a distance of 77 miles, was $51,544 per mile, while the cost of construction from Joliette to Garneau Junction, a distance of 61·49 miles, was $62,394 per mile. I could give other illustrations; these are not just picked out as special cases. In the evidence presented at that time many points throughout Canada were referred to, and I could give two or three times this number of examples.

Then with reference to the cost of operation —because I am met also with the argument that it costs more to operate the railways to British Columbia from the prairie provinces than it does in the east—let me read from the testimony at page 142. This evidence was given by experts of the Canadian Pacific. In British Columbia the operating cost in 1925 was $3,536 per mile, while on the prairie divisions, which many members think are as level as a billiard table, the cost was $4,702 per mile. So we find the per mile operating costs higher on the prairies than in British Columbia, and if I had time I could name points in the east and throughout the province of Quebec where the operating cost was much greater than the cost in British Columbia.

Then let us consider what they call helper or pusher mileage. In the prairie provinces and throughout eastern Canada there are portions of the railway where two or three engines are required on each train. On the Canadian National line, at least, one engine brings a full train of either freight or passenger cars from Vancouver through the mountains over one of the lowest grades in the dominion. I want to repeat that; this is one of the lowest grades in Canada. It amounts to only one half of one per cent, if my figures are correct, whereas in some parts of the prairies the grade is as high as one and a half or two per cent. That cannot be repeated too often. Not only were the construction costs less and the operating costs lower; the pusher car mileage is less than on the prairies and the grade, especially on the Canadian National, is one of the lowest on any railway in Canada.

Now for a few moments, Mr. Speaker, I should like to examine some of the freight charges throughout Canada in order to see what the province of British Columbia is up against. I do not want to take up too much time but I feel that this information should be placed before parliament in order to present a clear picture to the members of this house, so that they may see for themselves that we have been unjustly dealt with. The distance from Calgary to Fort William is 1,242 miles and the rate is 26 cents per hundred pounds of grain. That rate is for both export and domestic grain. The distance from

Edmonton is a little less than 1,242 miles. The distance from Edmonton to Fort William being 1,213 miles at the same cost, namely, 26 cents. The distance from Fort William to Montreal is 997 miles, and the rate is 11 cents for export over the Canadian National, and 30 cents over the Canadian Pacific. As to why there should be the difference between 11 cents and 30 cents in the rates on the two railways I have never been able to find out. From Fort William to Quebec, a distance of 1,142 miles, grain and grain products are being carried for 18·34 cents per one hundred pounds.

I should like to give a complete picture of the whole of Canada in connection with this transportation system. From Fort William to Saint John, a distance of 1,555 miles, the export rate is 30 cents and the domestic rate 52½ cents on grain and grain products. From Fort William to Halifax, a distance of 1,723 miles, the rate is 30 cents for export and 54½ cents for domestic, per hundred pounds.

How do we in British Columbia fare? From Edmonton to Vancouver, a distance of 776 miles, the rate is 20 cents for export. Although the act at present says it is 41½ cents for domestic purposes, I realize that last year we were given a reduction about which I shall speak a little later on. The house should accept the rate of 41½ cents as the correct rate because the present agreement which is now in effect on grain only is extended for one more year.

Mr. MANION: That is for domestic purposes?

Mr. REID: Yes. From Calgary to Vancouver, a distance of 642 miles, the rate is 20 cents for export and 41½ cents for domestic, per one hundred pounds. I should like hon. members to note that the mileage has been reckoned on the Canadian National mileage, although the distance over the Canadian Pacific is 134 miles less. The argument was urged before the railway commission that that fact should not be taken into consideration, and that the rate should be granted on the Canadian National mileage of 776 miles. In that connection I mention that the Canadian Pacific have been picking up considerable extra money, because I understand that one hundred miles represents a day's operation by a train crew, and therefore this railway company saves at least one train crew on this haul as against the number of crews used by the Canadian National Railway.

When the minister or any other hon. member replies I should like him to tell us why it is that when grain leaves Calgary or Edmonton to go east it is just grain, but when it comes west we are told, "Oh yes, that grain for export is at a certain rate, and the other or inferior grain is for domestic purposes, and for it the province of British Columbia will have to pay twice." That, Mr. Speaker, is against all railway practice, because, as must be evident to every hon. member, the lower priced article is generally, if not always, carried at a much lower rate. One could mention coal, for instance, and compare the rate on that commodity with that charged for carrying silk. Coal is carried at a much cheaper rate than silk. But when we come to grain, and especially to that portion of it going to British Columbia from the prairie provinces, we find that the railway companies operate on an entirely different basis because on the lower priced article they charge twice as much as on the higher priced article.

Mr. MANION: May I interrupt the hon. member? If he has the rates before him—and I believe he has—would he give the export rates from Edmonton or Calgary to Montreal, and the corresponding rates to the Pacific coast?

Mr. REID: From Edmonton to Montreal?

Mr. MANION: Yes, if the hon. member has them.

Mr. REID: I believe I have that figure before me. The total distance from Calgary to Halifax is shown to be 3,000 miles, and the rate is 41½ cents.

Mr. MANION: Yes.

Mr. REID: I can give the rate from Fort William to Montreal.

Mr. MANION: I should like to have the rate from Calgary to Montreal or Halifax, and from Calgary to Vancouver.

Mr. REID: I can give the minister the rate from Calgary to Montreal.

Mr. MANION: All right.

Mr. REID: From Calgary to Montreal, a distance of 2,239 miles, the grain is carried for 53½ cents. That is the latest figure I have.

Mr. MANION: And from Calgary to Vancouver it is 20 cents?

Mr. REID: Yes; that is the export rate, of course.

Mr. MANION: I understand that.

Mr. REID: Those are the figures the minister wanted?

Mr. MANION: Yes, thank you.

Mr. REID: Very well. In brief, over a distance of 1,242 miles, from Calgary or Edmonton going east, grain is carried at the rate of 43 cents per ton per one hundred miles, while the cost to Vancouver for export is 60 cents per ton per one hundred miles, and domestic use 90 cents per ton per one hundred miles.

I do not think it is necessary for me to elaborate what I have said, because I believe I have placed enough figures on the record to show the gross discrimination that exists against the people of British Columbia who wish to obtain their feed requirements from the prairie provinces.

As I have said, I am not pleading that parliament should fix railway rates. I have been met with the argument time and again that parliament is not a rate fixing body. Further, I am not going into the whole question of rate structure. If I took the time to do that, and placed on record figures showing express rates and other railway rates imposed against the people of British Columbia as compared with the rates imposed against the eastern provinces, I would show a most unfair condition indeed. At this time I am asking for equality of rates on grain and grain products; I am not asking parliament to fix rates. For the benefit of some hon. members may I say that the rights of none of the provinces will be jeopardized. This is not a question that interferes with maritime rights, the rights of the eastern provinces or any other rights. The plea I am now making is simply that parliament extend to British Columbia rights equal to those enjoyed by the eastern and prairie provinces.

Having by this time, I hope, placed the case for British Columbia in as clear a light as possible; having pointed out that mile for mile construction costs were lower, in British Columbia, that maintenance costs were lower, and that we have the lowest railway grade in the whole of Canada, I ask the minister or any other hon. member after I have concluded to refute any statements which up to the present time I have made. I suggest to the minister that in these days of compulsory co-operation it might be well to look into the fact that the Canadian National railway have the lowest grade. If there is any change made the Canadian Pacific should be compelled to take all their grain over the Canadian National line into Vancouver. Instead of, as has been suggested, dropping off a portion of the Canadian National line, if there is to be cooperation I suggest that the Canadian Pacific be compelled to use that low grade route. If this were done we might have a chance to obtain justice.

I now come to an important point in my remarks. Someone may say that it does not pay the railway companies to haul this class of goods. Let me say that I have it upon the authority of a Canadian Pacific railway expert that there is not one man in the employ of either the Canadian Pacific or the Canadian National who is capable of telling what it costs either railway to haul any given commodity. When giving evidence this particular person was asked if he could give that information, and he said he was unable to do so. In order to remove any doubts there may be in this connection I shall read the evidence. Mr. Flintoft is examining Mr. Lloyd of the Canadian Pacific Railway:

Mr. Flintoft: What would you say as to the possibility of getting the cost of any particular commodity?

A. Well, we do not know; there has never been any system devised yet by which you can get the cost of carrying any one commodity.

Q. Mr. Lloyd, I want to know whether it is in your opinion possible to work out the cost of carrying any particular commodity?

A. It certainly is not possible to arrive at the cost of transporting any individual commodity.

This statement is reiterated, because I find the following:

Q. Would you say that that "average cost per gross ton mile" would be a fair figure to apply to the cost of moving grain in train load lots?

A. I do not know what the cost of handling grain is.

Q. Is there any information in your statistical department that will give you that?

A. We have nothing to tell us the cost of handling any commodity.

I am quoting, Mr. Speaker, from the general freight rates judgment delivered in 1925. So it will be seen that we have the railway experts admitting that no one can tell what the costs are. How, then, have the rates been arrived at? The answer is simply that a rate has been fixed, and having been fixed the railways take the attitude: We are going to hold to it. That is what it amounts to, Mr. Speaker.

I want to refer to one or two arguments that have been made in previous years. The Minister of Railways has used the argument that this House of Commons is no place to fix freight rates, and that it is up to the board of railway commissioners to determine what the rates shall be. But I could quote many authorities in proof of the statement I now make that it is useless for the people of British Columbia now to go before the board of railway commissioners and plead for a reduction of freight rates. I have here the evidence of Mr. McKeown, chairman of the board of railway commissioners, to that effect.

Mr. MANION: He is not chairman of the board now.

Mr. REID: No, I was speaking of 1925, but I can get evidence from a little nearer home. When the amendment to the Railway Act was introduced in 1925 what did we find? We found hon. members now on the government side of the house but then in opposition saying one after another—I could quote Senator McRae, General Clark, and others—that it would be useless for the people of British Columbia to go again before the board of railway commissioners to plead their case. I have in particular the evidence of one who, it may be claimed, is an authority, and that is the Minister of Trade and Commerce. He stated when the bill of 1925 was passing through the house that the hands of British Columbia would be forever tied and that it would be useless for the people of that province to appeal to the board of railway commissioners in the hope of getting any reduction in freight rates. Speaking in this house on June 16, 1925, the present Minister of Trade and Commerce said at page 4320 of Hansard, when the amendment to the Railway Act regarding the Crowsnest pass agreement rates was then before parliament:

> Now the minister says to us that he purposes by this legislation to give the Board of Railway Commissioners—I quote his own words—an absolutely free hand. He does nothing of the kind. Not only does he not give the Board of Railway Commissioners a free hand, but he deliberately ties their hands in so far as the fixation of rates is concerned on wheat and flour, which after all, is a tremendously important part of the freight carried in this country, particularly in western Canada.

A little further on in the same speech he said:

> I do not ask special privileges, but I do ask for the province of British Columbia the opportunity to plead its cause on a firm and even basis. I ask for the opportunity for my province to come before the board and say: Here are the economic conditions; here are the reasons why we ask you for a freight rate structure of a given standard. But instead of that, the government is saying to the province of British Columbia: If you go before the Board of Railway Commissioners you go there with one hand tied behind your back. There is no escape from that.

I do not need to quote any other authorities to prove the contention which I have made ever since I first introduced the bill, that is is utterly impossible for us ever to get an equitable reduction of freight rates by appealing to the board of railway commissioners. They themselves have so stated, and I want to repeat that the members now on the government side of the house, when they were sitting in opposition in 1925, when the amendment to the Railway Act was going through, spoke to the same effect. It has also been my own belief that it is useless to go before the board of railway commissioners with any hope of getting redress.

Now what is our position in the province of British Columbia? A bill is introduced here asking for a reduction—or rather an equality—of rates, and we are told that the board of railway commissioners, and not parliament, is the properly constituted body to deal with that matter, yet we have it stated on the very best authority, as I have pointed out, that it is useless for us to go before that board. And so, Mr. Speaker, I am pleading at the foot of the throne on behalf of the people of my province that once and for all this differential be removed which has created a terrible handicap and has long been a great injustice to the people of British Columbia.

Probably the Minister of Railways will tell us that this is not the proper time to take such action, that the traffic of the railways has gone down, but I would point out that an argument of some sort can always be made. It was made in the prosperous days. We were told then that it was not the proper time to give us what we are now asking. I wish to point out, however, to the Minister of Railways, who perhaps knows it better than I do, that sixty-eight per cent of the traffic of the railroads in this country is wheat. At present we are looking for markets for our wheat, and where can our prairie farmers find a better market than in British Columbia? If we could get that grain at the same rate as those in other countries do, there is no doubt that a greater market would be found in British Columbia for immense quantities of the wheat and grain products of the prairie farmers.

I maintain, Mr. Speaker, that we were given just a sop last year when the railway companies for some reason or other reduced the rate on domestic grain by some eleven cents. When the railways did make that slight reduction and continued it for this year they omitted fifty per cent of the feed requirements of the poultry raisers which is mill feed. That omission takes a lot of answering. Our fight has been for grain and grain products, but the little sop that was handed to us by the railway companies last year, and which has been continued for another year, denied us a reduction in the rate on mill feed, which constitutes fifty per cent of the feed requirements of our poultry farmers. The result is that the people of Ontario and other eastern provinces—and I am not com-

plaining of this at all—are able to obtain their mill feed requirements at a much cheaper rate and consequently a lesser price than the people of British Columbia, although they are much further removed from the wheatfields than we are in British Columbia.

I believe that the time has come, Mr. Speaker, when the whole freight rates structure of this country should be overhauled. The rates were set many years ago when conditions were entirely different from what they are to-day.

I would also point out this in connection with our plea. It seems all right for hundreds of millions of dollars to be spent on canals in eastern provinces for the benefit, it may be, of the wheat farmers, but when we in British Columbia ask for something the reply is: This is not the time to do it. This may not be the proper time to say it, Mr. Speaker, but I am going to say that if ever the St. Lawrence waterway scheme comes into effect I hope something will be done about the tolls on the Panama canal, for our ships leaving Vancouver and New Westminster are now charged approximately $9,000 a trip to pass through that canal. I hope if the time ever comes when we shall deal with the St. Lawrence waterway that we on the Pacific coast will be remembered and that a quid pro quo will be exacted for the charges that are levied by the United States on our ships passing through the Panama canal, which, as all hon. gentlemen know, is owned by the United States.

This appeal is not a question affecting the maritime provinces or any other group of provinces. It is a question only of equality of rates, a question of justice. I know that some have said that it is just the same old story I am telling, but I think we all remember that in that fine old hymn it is said that the story should be repeated over and over until it is taken in. That is what I am doing, repeating the story until the government do take it in.

This is not a political question and I have endeavoured to keep clear of recriminations or accusations. I have endeavoured to make my plea in as fair a manner as possible. I have not accused any hon. member of doing this, that or the next thing. This is too serious a matter to go into personalities. The Prime Minister (Mr. Bennett) has stated that an equal opportunity will be given to all Canadians. I say to him that as far as we in British Columbia are concerned, we have not had that equal opportunity. Our foreign competitors are able to purchase our grain at a cheaper rate than what we have to pay. In 1930 we had 5,000,000 head of poultry in the province but at the present time we have only some 1,250,000 head. The hon. member for Fraser Valley (Mr. Barber) knows that this is correct. There are many chicken plants in which thousands of dollars have been invested now lying idle and it is time something was done. I make a most earnest plea to this government to adopt this bill.

Mr. A. E. MUNN (Vancouver North): Mr. Speaker, I should like to say a few words in support of the bill introduced by the hon. member for New Westminster (Mr. Reid). The hon. member has been consistently advocating a reduction in the domestic rate to the Pacific coast. As he says, he is not playing politics. I am making a plea to-night on behalf of the people of British Columbia and I am making this plea entirely outside of politics. I ask the Conservative members from British Columbia to get in with us on this fight. They know that the people in the constituencies of Cariboo, Victoria, Nanaimo and the Fraser valley all want this reduction. Our climatic conditions are very favourable to poultry farming. There are many poultry farmers in my riding and if they were able to obtain low grade grain at reasonable rates they would be benefited as would the farmers on the prairies. I should like to direct the attention of the Minister of Railways and Canals (Mr. Manion) to this fact: A carload of grain or chicken feed can be delivered in China or Japan at a lesser rate than to any part of British Columbia.

Mr. MANION: That is not true; at the present time we have a special rate for that.

Mr. MUNN: There is an export rate on No. 1 wheat.

Mr. MANION: That is a different thing; my hon. friend said chicken feed.

Mr. MUNN: With the export rate you can ship No. 1 wheat to China and Japan and they will have a cheaper chicken feed than we would have with a lower grade of wheat shipped at the domestic rate.

Mr. MANION: They would not use it as chicken feed.

Mr. MUNN: I was just pointing out what could be done. As I said before, this is not a political question. It is something to which we are entitled and for which we have been fighting for years, this reduction in the domestic rate to the Pacific coast on grain

and mill feed. Again I ask the Conservative members from British Columbia to get in with us. If we keep pulling together surely we will get results some time.

Mr. H. J. BARBER (Fraser Valley): Mr. Speaker, the previous speaker (Mr. Munn) has intimated that we should get behind hon. gentlemen opposite in order to obtain a reduction on the rate to British Columbia on feed grain. I might say to the hon. gentleman that long before he entered this house we were fighting for a lower rate on feed grain. We took it up in 1925, in 1926 and again in 1927. At that time the provincial authorities saw fit to step in and take the case to the railway commission, which I think was the proper tribunal. They spent some $130,000 in employing legal men to fight this case, but the result was that we did not get a reduction. I want to make it clear to the hon. member for New Westminster (Mr. Reid) and the hon. member for North Vancouver that we agree with what they have said with regard to the situation in British Columbia. We realize the unfortunate position in which the poultrymen and dairy farmers find themselves and the disadvantage they are under as compared with other districts in Canada. We have been ready and we are ready to-day to do everything possible to have these rates lowered so that the poultrymen, the dairymen and the stock raisers in our province may be in a more favourable position to compete with the neighbouring provinces.

I agree with the hon. member when he says that these rates are unfair but I do not think he is adopting the proper method of remedying the condition. As he said, he introduced a bill similar to this one in 1931; he introduced another bill in 1932; he has introduced this bill and he says he is going to continue to introduce bills. I am afraid the farmers of the province will be out of business long before this type of legislation becomes law. In 1903, Sir Wilfrid Laurier realized that the question of freight rates was too complicated a matter to be considered in parliament and he appointed the board of railway commissioners which was designed to function as a court of record in the same way as the supreme and exchequer courts. It was to have complete control and authority over all questions pertaining to the operation of our railways including the charges to be made for hauling traffic. It was to function as a judicial body and was to hear all interested parties. Its decisions were to depend, first, on the evidence submitted and, second, on the proper appreciation of the evidence in relation to the relief sought. Provision was made for appeals from the decisions of this board to the privy council and I think it will be admitted that on the whole it has proved to be satisfactory. At times there have been criticisms of this board, but every section of Canada has been accorded an opportunity to appear before it. The present leader of the opposition (Mr. Mackenzie King) as well as the former Minister of National Revenue (Mr. Euler) have expressed opinions on this matter. I have referred to this before but I think it is worth while repeating. The hon. member for New Westminster has referred to a statement made by the Minister of Trade and Commerce (Mr. Stevens) and I shall deal with this a little later. If hon. members will turn to page 4439 of Hansard of 1925 they will find that the then Prime Minister, the present leader of the opposition, said:

> I have been looking over some of the speeches which I made in western Canada last fall, and which were quoted, in part I think, by the hon. leader of the Progressive party (Mr. Forke) in his remarks the other evening. I notice in speaking on the prairies I intimated very clearly that my view was that the railway commission was the right body to fix rates and should be given a free hand in the matter but that I felt it should expect to receive directions from the government on matters of national policy. When speaking in Vancouver and Victoria I made similar statements. . . .

That was the view of the present leader of the opposition. Let us see what was said by the hon. member for North Waterloo (Mr. Euler). At page 4420 of Hansard of the same year the hon. gentleman made the following statement:

> The railway board is charged with the duty of making rates fair and equitable to all. We have set up the board to do that work. Why then not let the board perform that duty? They are infinitely better qualified to make these rates than are members of parliament. If parliament has no confidence in the railway board—and that sentiment has been expressed by some hon. members—then the remedy is not to throw the business of rate-making into this house; the remedy is so to constitute your board that you will have confidence in it.

Those are the statements, respectively, of the present leader of the opposition and the hon. member for North Waterloo.

The hon. member for New Westminster referred to a statement made by the present Minister of Trade and Commerce. I am very sorry he did not quote from the speech made a little earlier in that debate. I would refer the house to Hansard, two or three pages earlier in that debate of June 16, 1925, at page 4319, and I would ask my hon. friend to

see what the present Minister of Trade and Commerce said on that occasion. This was the statement he made:

I have argued in this house and before my own constituents and the people of my province for certain principles which I think should underlie and govern the making of a freight rate structure. I have argued that the fixation of rates is such a complicated problem that it should not be pitchforked into parliament, but rather that it should be dealt with by a competent board, that board in my estimation being the Board of Railway Commissioners.

A year ago I appeared before the board and in discussing the matter, particularly with the chairman, I found that British Columbia has never entered any appeal against freight rates on feed grain going into that province. I was told that there was no reason in the world why such an application should not be presented and should not receive favourable consideration. At the time I was there the appeal to the privy council was pending and nothing could be done, but now the appeal has been dismissed the case is wide open. I suggest to my hon. friend therefore that if he wants to get action he cannot obtain it in the way he is going at it, because parliament will not go back on what it did in 1903 and undertake to fix rates in this house. So that I appeal to my hon. friend to join the rest of us and appear before the board to present the case for the farmers. I suggest also, what I think is right, that it is not necessary to employ expensive counsel, as the province of British Columbia did in 1925; for any farmers' organization, any individual farmer, can be heard before the board. And I am sure that a member of parliament would also be heard. I suggest to my hon. friends opposite therefore that they join with us and that we go and present the case on behalf of the farmers with a view to getting some immediate action.

The hon. gentleman says that this bill has been on the order paper for three months. Well, the house has been in session since January 25 and this is April 17, so that he does not seem to have been very anxious to press the matter. If hon. gentlemen opposite are eager to get something for the farmers of our province, what they are trying for, namely, a lower rate on feed grain, they ought to join with us in presenting the case to the board. I am going to move an amendment which I hope will receive the support of this house:

That this bill be not read the second time but that, in the opinion of the house, the subject matter thereof should be referred at the earliest date to the Board of Railway Commissioners for Canada.

Mr. MACKENZIE (Vancouver): I rise to a point of order. Is the proposed amendment in order? The provision which the hon. gentleman has in mind is the moving of an amendment to the motion for the second reading of the bill by the enunciation of a general principle which is in opposition to the general principle of the bill. I respectfully suggest that the principle embodied in the amendment is not in opposition to the general principle of the bill as introduced by my hon. friend.

Mr. MANION: I do not agree with my hon. friend. The principle of the bill is the question of freight rates, and the amendment is a suggestion that the question be referred to the board of railway commissioners. It is a different matter. I submit that it is in order.

Mr. MACKENZIE (Vancouver): With respect to the point raised by my hon. friend—

Mr. MANION: Are we allowed to speak two or three times to the point of order?

Mr. SPEAKER: I understood the hon. member for Vancouver Centre (Mr. Mackenzie) to have spoken to the point of order.

Mr. GARLAND (Bow River): May I submit, with all due respect to the opinion of the Minister of Railways, that this does appear to be a peculiar transaction. Here we have an amendment the effect of which would be to refer from the House of Commons to the board of railway commissioners a request in connection with freight rates. I do not think I have ever known that to be done, although of course there is no reason why that should prevent its being done. I do not think however that the amendment is in order.

Mr. BARBER: The resolution does not propose that the House of Commons should refer this bill to the board of railway commissioners. It states that in the opinion of this house the subject matter of the resolution, which is the question of freight rates, should be referred at the earliest possible date to the board of railway commissioners.

Mr. LAPOINTE: I do not think the Minister of Railways is serious in his contention, when he says that the principle of the bill is the question of railway rates and that the amendment is that the question of railway rates should be referred to the railway commission.

Mr. MANION: Where it has always gone.

Mr. LAPOINTE: It is a question of procedure, not of principle. An amendment to the second reading should be something which is in opposition to the principle of the bill.

Mr. GARLAND (Bow River): May I ask a question of the ex-Minister of Justice (Mr. Lapointe)? If the contention of the hon. member who moved the amendment is correct, and it is not a motion from this house referring the bill under discussion to the railway commission, then it is a negative of the bill and therefore is out of order.

Mr. GRAY: The rule is quite clear. Rule 755 reads:

> It is also competent to a member who desires to place on record any special reasons for not agreeing to the second reading of a bill, to move as an amendment to the question, a resolution declaratory of some principle adverse to, or differing from, the principles, policy, or provisions of the bill, . . .

Mr. MANION: This is adverse to it.

Mr. GRAY: Surely that is not the case here. I submit, according to Beauchesne's Parliamentary Rules and Forms, paragraph 755, the position is as pointed out by the ex-Minister of Justice (Mr. Lapointe). It is a question of procedure, not one of principle, that is being discussed.

Mr. SPEAKER: I am of opinion that the amendment is quite in order according to the paragraph just quoted by the hon. member, as it is a repetition of May at page 357 and Bourinot at page 509. The amendment seems to come quite within the provisions there quoted and in my opinion it is in order.

Mr REID: I must appeal against your ruling. Knowing what is back of this, I must appeal.

Mr. Speaker put the question as follows:

The Speaker having decided that the amendment moved by Mr. Barber, seconded by Mr. Plunkett, is in order, Mr. Reid appeals from that decision. Is it the pleasure of the house that the Speaker's ruling be sustained?

The house divided on the question: Shall the ruling of the chair be sustained? And the ruling was sustained on the following division:

[Mr. Lapointe.]

YEAS

Messrs:

Anderson (Toronto-High Park)
Anderson (Halton)
Arsenault
Arthurs
Baker
Barber
Baribeau
Beaubier
Belec
Beynon
Bourgeois
Bowman
Burns
Bury
Cahan
Cantley
Chaplin
Cowan (Long Lake)
Davies
Dickie
Dupré
Duranleau
Embury
Fraser (Cariboo)
Gagnon
Ganong
Gobeil
Gordon
Guthrie
Hay
Jones
Kennedy (Winnipeg South Centre)
Laflèche
LaVergne
Lawson
Loucks
Macdonald (Kings)
Macdougall
MacMillan (Saskatoon)
MacNicol
McGillis
McGregor
McLure
Manion
Matthews
Moore (Chateauguay-Huntingdon)
Myers
Nicholson
Peck
Perley (Qu'Appelle)
Pickel
Plunkett
Price
Quinn
Senn
Shaver
Simpson (Simcoe North)
Simpson (Algoma West)
Smith (Victoria-Carleton)
Smith (Cumberland)
Smoke
Sproule
Stanley
Stewart (Leeds)
Stewart (Lethbridge)
Stinson
Stirling
Stitt (Nelson)
Sutherland
Swanston
Tétreault
Thompson (Simcoe East)
Thompson (Lanark)
Weese
Weir (Melfort)
White (London)
White (Mount Royal)
Wright—78.

NAYS

Messrs:

Beaubien
Bertrand
Bothwell
Boucher
Boulanger
Bradette
Butcher
Cardin
Carmichael
Casgrain
Chevrier
Denis
Deslauriers
Duff
Euler
Factor
Ferland
Gardiner
Garland (Bow River)
Gershaw
Girouard
Golding
Gray
Hall
Hanson (Skeena)
Heaps
Jean
Kennedy (Peace River)
Lapointe
Luchkovich
MacInnis
Mackenzie (Vancouver Centre)
MacLean
McIntosh
Michaud
Mitchell
Motherwell
Munn
Neill
Reid
Sanderson
Spencer
Totzke
Woodsworth—44.

PAIRS

(The list of pairs is furnished by the chief whips.)

Messrs:

Barrette	Rhéaume
Bell (Hamilton)	Mercier (St. Henri)
Bell (St. Antoine)	Raymond
Bell (St. John)	Dubois
Bennett	King
Black (Halifax)	Dubuc
Bowen	McKenzie (Assiniboia)
Boyes	Hepburn
Casselman	Howard
Charters	Blair
Cotnam	Hurtubise
Cowan (Port Arthur)	Ilsley
Dorion	Verville
Duguay	Dumaine
Edwards	Elliott
Ernst	Rinfret
Esling	Hanbury
Fortin	Fafard
Garland (Carleton)	Goulet
Geary	Mercier (Laurier-Outremont)
Gott	Rutherford
Hackett	Perras
Hanson (York-Sunbury)	Veniot
Harris	Jacobs
Johnstone	Donnelly
Larue	Thauvette
Laurin	Fontaine
Lennox	Pouliot
MacDonald (Cape Breton)	Urquhart
MacLaren	Fiset, Sir Eugène
McDade	Dupuis
Maloney	Young
McGibbon	Power
Morand	Parent
Mullins	Howden
Murphy	Stewart (Edmonton)
Perley, Sir George	Marcil
Pettit	Bouchard
Porteous	Macphail, Miss
Rhodes	Ralston
Ross	Roberge
Robinson	Desrochers
Rogers	Moore (Ontario)
Rowe	Lacroix
Ryerson	Taylor
Sauvé	Séguin
Short	Heenan
Spankie	Ahearn
Spence	Fraser (Northumberland)
Spotton	MacMillan (Mackenzie)
Stevens	Malcolm
Stitt (Selkirk)	Weir (Macdonald)
Sullivan	Brasset
Tummon	St-Père
Turnbull	McPhee
Willis	Brown
Wilson	Vallance.

Mr. CASSELMAN: I was paired with the hon. member for Sherbrooke (Mr. Howard). Had I voted I would have voted to sustain the Speaker's ruling.

Mr. PORTEOUS: I was paired with the hon. member for Southeast Grey (Miss Macphail). Had I voted I would have voted to sustain the Speaker's ruling.

Mr. VALLANCE: I was paired with the hon. member for Wentworth (Mr. Wilson). Had I voted I would have voted against the Speaker's ruling being sustained.

Mr. SPENCE: I was paired with the hon. member for Northumberland (Mr. Fraser). Had I voted I would have voted to sustain the Speaker's ruling.

Mr. ROBINSON: I was paired with the hon. member for Portneuf (Mr. Desrochers). Had I voted I would have voted to sustain the Speaker's ruling.

Mr. EDWARDS: I was paired with the hon. member for West Middlesex (Mr. Elliott). Had I voted I would have voted to sustain the Speaker's ruling.

Mr. MULLINS: I was paired with the hon. member for St. Boniface (Mr. Howden). Had I voted I would have voted to sustain the Speaker's ruling.

Mr. BENNETT: I was paired with the right hon. leader of the opposition (Mr. Mackenzie King). Had I voted I would have voted to sustain the Speaker's ruling.

Mr. BLAIR: I was paired with the hon. member for Peel (Mr. Charters). Had I voted I would have voted against the Speaker's ruling being sustained.

Mr. JOHNSTONE: I was paired with the hon. member for Willow Bunch (Mr. Donnelly). Had I voted I would have voted in favour of the Speaker's ruling being sustained.

Mr. MacLAREN: I was paired with the hon. member for Rimouski (Sir Eugene Fiset). Had I voted I would have voted in favour of the Speaker's ruling being sustained.

Mr. ROBERGE (Trans.): I was paired with the hon. member for Kingston (Mr. Ross). Had I voted I would have voted against the Speaker's ruling being sustained.

Mr. THAUVETTE (Trans.): I was paired with the hon. member for Matane (Mr. Larue). Had I voted I would have voted against the Speaker's ruling being sustained.

Mr. SEGUIN (Trans.): I was paired with the hon. Postmaster General (Mr. Sauvé). Had I voted I would have voted against the Speaker's ruling being sustained.

Mr. DUMAINE (Trans.): I was paired with the hon. member for Lake St. John (Mr. Duguay). Had I voted I would have voted against the Speaker's ruling being sustained.

Mr. LACROIX (Trans.): I was paired with the hon. member for Dufferin-Simcoe (Mr. Rowe). Had I voted I would have voted against the Speaker's ruling being sustained.

Mr. HURTUBISE (Trans.): I was paired with the hon. member for Renfrew North (Mr. Cotnam). Had I voted I would have voted against the Speaker's ruling being sustained.

Mr. RHEAUME (Trans.): I was paired with the hon. member for Berthier-Maskinongé (Mr. Barrette). Had I voted I would have voted against the Speaker's ruling being sustained.

Mr. VERVILLE (Trans.): I was paired with the hon. member for Quebec-Montmorency (Mr. Dorion). Had I voted I would have voted against the Speaker's ruling being sustained.

Mr. PERRAS (Trans.): I was paired with the hon. member for Stanstead (Mr. Hackett). Had I voted I would have voted against the Speaker's ruling being sustained.

Mr. DUPUIS (Trans.): I was paired with the hon. member for Northumberland (N.B.) (Mr. McDade). Had I voted I would have voted against the Speaker's ruling being sustained.

Mr. SPEAKER: The hour for private and public bills having expired the house will revert to consideration in committee of Bill No. 40, to amend the Live Stock and Live Stock Products Act.

Mr. GORDON: Before you leave the chair, Mr. Speaker, I would ask leave of the house to revert to motions.

And leave having been granted:

UNEMPLOYMENT RELIEF

Hon. W. A. GORDON (Minister of Labour): I desire to lay upon the table of the house the report of the dominion commissioner of unemployment relief for the year ending March 31, 1934.

I also beg leave to move that three hundred copies in the French language of the report of the commissioner of unemployment relief, 1934, be printed, and that standing order 64 be suspended in relation thereto.

Mr. CASGRAIN: Do I understand that copies are to be printed in French and in English?

Mr. GORDON: Yes.

Motion agreed to.

[Mr. Séguin.]

LIVE STOCK AND PRODUCTS ACT

The house resumed consideration in committee of Bill No. 40, to amend the Live Stock and Live Stock Products Act—Mr. Weir (Melfort)—Mr. LaVergne in the chair.

Progress reported.

MARKETING ACT

ORGANIZATION TO IMPROVE METHODS AND PRACTICES IN MARKETING NATURAL PRODUCTS

The house resumed from Monday, April 16, consideration of the motion of Hon. Mr. Weir for the second reading of Bill No. 51, to improve the methods and practices of marketing of natural products in Canada and in export trade, and to make further provisions in connection therewith.

Mr. CASGRAIN: Before we proceed with the discussion of this bill, Mr. Speaker, I have a point of order to raise. My attention has been drawn to a copy in French of this bill, which apparently has been reprinted. I have one copy of Bill No. 51 in French which appears to be all right, but another copy of the bill is marked "réimpression". I should like to know by what order of the house the bill has been reprinted in the French language.

Mr. SPEAKER: What is the point of order?

Mr. CASGRAIN: I do not think it is in order to reprint the bill except by an order of the house. On the French copy of Bill No. 51 I have before me I find the word "réimpression". Surely a bill is only reprinted when changes or amendments have been made.

Mr. SPEAKER: The official bill before the house has not been reprinted. The hon. member may have a copy that has been reprinted, but it will not be official.

Mr. CASGRAIN: With two official languages in the House of Commons any hon. member may discuss Bill No. 51 in French.

Mr. SPEAKER: In any event, an order of the house is not required to reprint the bill. That can be done by the committee or by the proper official of the house.

Mr. BENNETT: That is their job; what do we know about it?

Mr. GROTE STIRLING (Yale): Mr. Speaker, I think that the government is to be congratulated upon having introduced this measure, which is an attempt to improve the methods and practices of marketing of our

natural products. The production of our natural products is in Canada one of the most important pieces of work to which Canadians can adapt themselves. It is probable that no more important piece of legislation has been debated in the Canadian parliament for many a long year than the measure now before us. I think it is most remarkable that within twenty-four hours of the first reading of this bill telephonic and telegraphic communications reached the Minister of Agriculture (Mr. Weir) from six of the provinces advising him that it was their intention to pass concurrent legislation. Judging by the messages I have received from British Columbia and from other parts of Canada, it would appear to me that there is a very considerable volume of favourable farmer opinion on this measure. I have been waiting, therefore, with great interest to hear the opposition which would be raised to it.

The first effort in opposition which came to the attention of the Canadian people was that carried out by the Canadian chamber of commerce. The present president of that chamber is a sincere and honourable man but one who has spent his lifetime in opposition to cooperation. The chamber of commerce, through its affiliated and associated boards of trade throughout Canada, circularized those boards and sent them a statement of the arguments which might be used in favour of the bill together with the arguments which might be advanced against it. Upon reading the sheet one came to the conclusion that the author of it had taken a great deal more pleasure in writing the second portion of it than he did in writing the first. This communication was accompanied by a questionnaire, at the top of which was printed the instruction that it should be answered yes or no, thereby bringing it into the category of that famous question, "Have you stopped beating your wife?" That questionnaire was worded in such a way as to make it a piece of special pleading against the bill; and it is not surprising, therefore, to read that certain of the replies which have already reached the chamber point out the unfairness of it. I think it is becoming apparent that the usefulness of the chamber of commerce in Canada has been somewhat impaired by its unfair treatment of this measure.

Last night we listened to the first three speeches in opposition to the measure. The hon. member for Last Mountain (Mr. Butcher) proclaims himself a strong upholder of cooperation, but from his remarks we find that he is opposed to the regimentation of men. He would have been content had the measure contained certain safeguards included in the British marketing legislation, although he seems to be of the opinion that it will not be very long before that legislation is repealed.

The hon. member for Hants-Kings (Mr. Ilsley) is of course a critic by nature, and he is at his happiest in his criticisms of a government measure while he sits in opposition. The picture he painted of what he saw in the bill put me in mind of those waking dreams suffered by a man who is passing through the feverish stage of a liver chill. He saw boards, and boards and more boards. He saw dominion boards, commodity boards, provincial boards and local boards, treading on each other's toes and being set up at great expense to Canada. I noticed that his criticism was enthusiastically received by his Liberal colleagues. I could not help wondering, however, whether it would be as pleasantly received by the people of Nova Scotia whose business it is to produce and to market fruit. I noticed that on the fourth of April the hon. member for Hants-Kings met the Nova Scotia fruit shippers and explained to them his interpretation of this measure. I presume that what he told them was similar to what he told hon. members in this house last night. But six days after that meeting with the fruit shippers the Nova Scotia fruit growers and shippers held a joint meeting at which they passed a certain resolution. I read from one of the Halifax papers as follows:

Kentville, April 10, 1934.

Unanimous approval of the principles of the marketing act now before the federal parliament was given at a joint meeting of the executives of the Nova Scotia Fruit Growers' Association and the Nova Scotia Shippers' Association that was held here this afternoon. There was a large attendance of delegates who came from all parts of the fruit belt, the provincial Department of Agriculture being represented by F. W. Walsh, chief of the marketing division. Arthur Kelsall, President of the Nova Scotia Fruit Growers' Association presided.

It seems evident, therefore, that those who are actually employed in the production and marketing of apples in Nova Scotia will scarcely be likely to agree with the criticism advanced by the hon. member for Hants-Kings.

Then the hon. member for West Edmonton (Mr. Stewart) gave his view in opposition. First he gave us a piece of that famous speech of his on the tariff. He followed that by stating his opposition to majority rule, and his disgust in connection with something which would further restrain the liberty of the subject. With regard to majorities ruling min-

orities may I say I regret that Hon. Donald Sutherland is not the member for South Oxford, but yesterday he was in the minority. I have a good deal of respect for the views advanced by the hon. member for West Edmonton with regard to the liberty of the subject, because until a very short number of years ago I was very much inclined to those views myself. But, Mr. Speaker, what rights has an individual to-day, under organized modern society as we know it? The hon. member may not drive his car down Sparks street in any way and at any speed he desires. Why may he not do so? Because there are others, his neighbours, who desire also to drive their cars down Sparks street. The hon. member for West Edmonton may not take his clothes off in the rotunda of the Chateau Laurier. Why may he not do so? He may not because there are others, his neighbours, who desire to use the rotunda of the Chateau Laurier in the way that rotunda is meant to be used. In this instance there are farmers in Canada who have been deterred from marketing their produce in the way they desire to market it because of the actions of certain other farmers their neighbours. I very much question whether the liberty of the subject can be advanced as an argument against this bill. The hon. member to whom I refer, from his cradlehood to that day, far distant I hope, when he will be laid in his grave. will have had his liberty curtailed, and he will find that he has had to observe the many and varied restrictions imposed on him by modern society.

I also shall endeavour to paint a picture of what I see in this bill for the fruit growers and other farmers I represent; for in the Okanagan valley and the southern valleys of British Columbia there are farmers who are engaged in wool growing, in poultry raising, in live stock, in dairy products, in vegetables and in fruit. But before I paint that picture I want to describe the frame, the setting of it.

For the twenty-two years in which I have worked in the Okanagan valley there has been a cooperative effort. The volume of its support has ebbed and flowed. After a time of desperately low prices the cooperative has prospered. There was a time when it reached a volume of eighty-five per cent of the total crop, and the fifteen per cent outside the cooperative movement was its destruction. When the cooperative movement had charge of eighty-five per cent of the crop they were able to approach a good deal nearer to orderly marketing than had ever been attained before; that is to say, in rolling the crop to market they were able to feed each distributing centre throughout Canada with that quantity which apparently that centre would be able to handle without glut and without scarcity. But the fifteen per cent was in the hands of small independent shippers, and they were able, marketing but one car or two, to jump into a market which had been stabilized and jump out again so quickly, possibly by shaving the price or by consigning their car, that they did not suffer. But they left behind them a demoralized market. Hon. members should remember that I am referring to the marketing of a highly perishable product, the evidence of whose quality changes almost overnight, a product that must be marketed when it is ready in quantities sufficient to dispose of the whole or incur the costs of storage. There again the cooperative was under a disadvantage, because the independents, handling the very small quantities which they did, did not have to store. The cooperative therefore it was that had to incur the costs of storage, and in the export market as well the independent bore no share of the loss.

At the time of which I speak in all probability thirty per cent of the Okanagan crop of boxed apples was exported. It was exported to relieve the Canadian market. The principal part of it went to the markets of Great Britain, and there it came into competition with fruit of just as high a quality produced in the Pacific states. The Americans for many years have looked upon the British market as a very desirable dumping ground, in consequence of which the price always ruled low. I say that thirty per cent at that time was marketed abroad. The smaller independent did not export, and in consequence the cooperative movement had to take charge of thirty per cent of the whole crop instead of the thirty per cent of the crop which it handled itself. In those three ways the very small quantity marketed by an individual independent shipper was marketed to the advantage of the growers that supplied them and to the detriment of the growers that supplied the cooperative movement because of the stabilizing umbrella that the cooperative movement held over the market.

The fifteen per cent was in the hands of certain independent shippers. Some of them I would describe as responsible firms. It quickly became evident to them that they must do something if possible to bring about an orderly condition of the marketing of the whole crop or their business would go to the wall. As a consequence of that, sufficient support was obtained for a petition to the provincial government and the Produce Mar-

keting Act was passed under which a committee of direction was set up which should direct the sale of the crop—not, as has so often ignorantly and unkindly been said of that committee of direction, that it was a government committee which sold the crop. It was nothing of the sort. One of its members was appointed by the growers as their representative. One of its members was appointed by the shippers as their representative, and in order to find a neutral arbitrator as chairman, the lieutenant governor in council appointed the chairman. For the three years in which the committee of direction operated we had a nearer approach to orderly marketing in southern British Columbia than we have seen before or since. But suit was entered against that committee of direction and that suit was successful. The judgment of the supreme court put that committee of direction out of existence on the ground that a provincial statute could not enable a committee set up under it to regulate the sales of produce outside the province of production. After the committee of direction was dead it was noteworthy that the volume of support for the committee had increased overnight. Following the death of the committee of direction the division of the crop in all probability was sixty per cent cooperative and forty per cent in the hands of independent shippers and a few grower-shippers, growers who marketed their own crop and perhaps the crop of a neighbour or two. Amongst that forty per cent there was a considerable number of what I would call responsible business firms. Then the forty per cent dwindled away to very small and irresponsible shippers who were not prepared to cooperate with anyone.

A new measure of cooperation entered upon the scene. The responsible independent shippers drew together in one group and with the cooperation of the cooperative probably ninety per cent of the total crop was marketed in an orderly fashion. That merely drove home to the responsible shippers, as to the cooperative that the ten per cent outside was sufficient to upset it. We very nearly approached another year of dog eat dog, of cut-throat prices and ruin for everybody.

The last attempt at orderly marketing was the stabilization board. The stabilization board functioned for one year, and a few weeks ago it also went out of existence on account of a curious judgment. The various firms of shippers that went in under the stabilization board had to contribute in the form of a levy to the funds of the board which it used in its operation. One of these fruit firms decided that it would not pay the levy. The stabilization board sued that firm and lost the case. Mr. Justice Murphy in an eighty-five page judgment decided that the stabilization board was opposed to the Combines Act.

As evidence of the type of person the fruit grower has to work with, I would draw the attention of hon. members to the fact that the stabilization board came into existence with the support of most of the fruit shipping firms. The firm against which the board started this suit was one of those and the manager of that company was a member of the committee that brought the board into existence. He was the man who proposed the resolution to make the levy part of the plan. Presumably he later changed his mind and refused to pay the levy and a suit was started and lost by the board. When that judgment was handed down it was not unnatural that gloom should pervade the Okanagan valley. I am using no exaggerated terms when I say that that industry is looking ruin in the face.

On March 26 this bill received first reading and the news of that fact was received in southern British Columbia with great delight. The growers considered that they had been doing all that lay in them to proceed along the road toward orderly marketing but each time they had made a step in advance, something happened to upset them. After the provincial legislation had been thrown out of existence they felt that the only ultimate thing to be done would be to have dominion legislation passed which, in cooperation with provincial legislation, would give them the orderly marketing which they sought. They believe that this Bill No. 51 gives them what they seek. This is a picture of what I consider this bill will do for these growers.

Under section 5 of the bill the producers may join together in the preparation of a scheme to be submitted to the minister for his approval. The minister must satisfy himself that there is a sufficient volume of support behind the scheme. How is he to do that? In my opinion the only way he can do it is to have the figures of a poll laid before him. It is most desirable that the scheme should make provision for registration and polling. When the minister is satisfied that there is a sufficient volume of support behind the scheme, he turns it over to the dominion marketing board to be set up under section 3 and that board examines the scheme in all its detail. In my opinion there are three courses open to the board; it can accept the scheme, it can reject the scheme, or it can suggest amendments to the scheme. If and when a scheme has been accepted, it is re-

ferred to the governor in council and it may be set up by order in council. It then begins to operate as a scheme chosen by the farmer and put into operation by him. It is almost certain that any scheme will contain the idea of a board selected by the producers to be in charge of the fruit or whatever commodity it may be which they have to handle. The principle behind it all—it is the principle with which we are chiefly concerned at this stage of the proceedings—is that the producer should have in his own hand the power of conducting the marketing of his produce in an orderly fashion and this cannot be done until there is a majority rule of the minority. Suppose the producers in any given area are quarrelsome or unwise enough not to compromise their difficulties and differences of view; suppose they proceed in support of two schemes, neither of which have sufficient backing to warrant the minister in accepting them. Under section 9 the minister could then propose a scheme for that particular district if it appears in the wisdom of the governor in council that orderly marketing can be obtained by these means. The minister may propose a scheme which will be adopted and put into operation by order in council.

Some of those who are opposed to this bill see in that an imposed board, a board resident in Ottawa which will sell the crop of a farming area perhaps thousands of miles away. To me that would appear to be contrary to common sense. The scheme which would be proposed by the minister and accepted by governor in council would, in my opinion, be such as I have described already, a board composed of the producers themselves, selected and elected by the producers, which would have the power under this act to conduct the orderly marketing of that particular product.

Another principle involved in this bill is the question whether it is desirable that the government or the authority set up under the government should have the power of regulation over exports. Without going into great detail as to what happened last August and September in the British market, I would remind hon. members that a condition approaching chaos prevailed. When the dominions met together at the time of the Ottawa conference they entered into treaties with each other but the treaties they made were primarily for the benefit of the producers in their own countries. The treaties in connection with apples which Great Britain made with Australia, New Zealand and Canada were primarily for the protection of her own orchards. When the English apple crop began to pass on to the markets of Great Britain in August it was found that those markets were not yet free of stored apples from Australia. Under the plan which had been so carefully considered at the Ottawa conference it was anticipated that Australia would be off the British market by August, before the early English apples began to reach the market. But in the first year of operation it did not so work out and the consequence was that low prices prevailed not only for that month but for the fall months as well. When the Canadian apples began to reach the British market in September, October and November it was found that extremely low prices were still prevailing.

In the working out of the Ottawa agreements, Great Britain again and again has shown her good faith by refusing to adopt harsh tactics, by refusing to go to the limits to which she might go under the provisions of these treaties. She has intimated quite plainly that if Canada will take to herself the power to regulate her exports, she may refrain from imposing quotas. Suppose Great Britain had not taken that action last August; suppose she had done what we will assume she had the right to do and imposed a quota overnight; there was no legislation in this country which would enable the government or any other authority to use any regulatory power over Canadian export apples. It would have been a clear case of dog eat dog and the cramming of ships as hard as they could be crammed and sent to the market, with the result that no one would have got anything. The government decided to take advantage of this opportunity to insert regulatory powers in the statutes of Canada. Under the powers laid down here the government may exert such regulatory authority with regard to the distribution of Nova Scotia, Ontario and British Columbia apples for export as would be considered nothing else than businesslike.

A further principle involved in this bill is that contained in part II. In part II the government takes power to investigate marketing conditions of any natural product; it can examine into every phase of what takes place in connection with produce passing from producer to consumer. Surely that is a desirable principle. It will particularly have its attention drawn to those cases where the producer receives a mere pittance and the consumer pays a lot. We hear so much in these days of spread. Here is a case where under a statute, as the bill will become, the government takes power to conduct investigations to look into the matter of spread, and presumably to let in the light of day and to take a certain course of action if wrongdoing is discovered.

So far I think I have dealt entirely with the principles behind this bill, but there are two remarks I desire to make at this stage. They have to do with principle, though not exactly what you might call the principle of the bill, but rather the principles behind two details of the bill.

Under the stabilization board last operating in British Columbia, one quite essential feature was the pooling of a certain variety of fruit. The markets of Canada differ rather curiously in price level, and it is not feasible when you are dealing with the crop handled by a different set of independent shippers and a cooperative to so perfectly proportion that crop that each of these units shall market so much in the low price market and so much in the high price market. Therefore the practical method of doing it is for them to market where directed by the regulatory body, and for the receipts of that variety and that grade to be pooled. There is no doubt, I maintain, that under subsection (a) of section 4 that power is covered by the bill, but it appears to me it would be a desirable thing for a definite statement to be made by the government as to whether I am correct in reading that into the bill, because it will have a very considerable effect on the volume of support which this measure will receive in certain farming communities.

Mr. ILSLEY: Is it the hon. member's understanding that the pooling for each variety is to be for the whole of Canada?

Mr. STIRLING: The hon. member, if I understand him aright, asks me whether I think the pooling for each variety would apply to all Canada. Certainly not. The pooling which I am describing is the operation of the local board, and the local board operating in southern British Columbia will have nothing to do with the apples of Kentville.

The other point of principle connected with detail to which I wish to refer is one in connection with another type of marketing altogether, not the type of marketing to which we fruit growers of British Columbia are accustomed. I am imagining the case where a local board is set up to handle the products of a certain farming community whose habits have been such that in their attempted regulatory methods of marketing in previous days the board itself has done the marketing. It would be very desirable if a pronouncement were also made with regard to that. My opinion is clear, that subsection (a) of section 4 also gives power for that to be done.

I agree that these are matters which will be treated in detail as the clauses come up in the committee stage, but I think it is desirable to mention them at this stage of the proceedings, because there is an earnest desire amongst farmers all over Canada to understand as soon as possible exactly what the provisions of the bill mean. I have endeavoured to give my views; I have endeavoured to show what in my opinion this bill can do towards orderly marketing in the part of Canada from which I come. In my opinion the government has taken a courageous step in bringing forward this measure, because it is so obvious that we live in a stage of society which cannot stand still. We cannot be satisfied with those marketing conditions with which our fathers were satisfied. There are difficulties being imposed upon us from without as well as from within, and this is an attempt, a courageous attempt I maintain, to deal with the difficulty, which this bill, if it works out as I think it will, will tend to solve.

The Minister of Agriculture was not the only one in this house who deeply appreciated the tribute that the hon. member for South Battleford (Mr. Vallance) paid him the other day. There are very many in Canada who agree with the hon. member for South Battleford. Canada is to be congratulated on having as Minister of Agriculture one who looks at things as a farmer first and who is recognized as a successful farmer; and it is well known and recognized by all the farmers of Canada that he approaches each problem from the farmer's point of view and with the farmer's knowledge.

Mr. A. W. NEILL (Comox-Alberni): With the picture which my hon. friend from Yale (Mr. Stirling) has drawn of conditions in his district, I quite sympathize. I have some knowledge, not perhaps of that particular district but of conditions at home; I have had personal experience of conditions that arise when ten per cent undertake to defeat the cooperation of ninety per cent. But I am rather afraid that in his endorsation of this bill the hon. gentleman has been animated rather by a desperate desire to get something than by a close examination of the bill itself. I am afraid that the golden apple of this bill will prove to be Dead Sea fruit and turn to ashes in his mouth.

I do not think the hon. member was quite fair to my hon. friend from Last Mountain (Mr. Butcher) or to the hon. member for Hants-Kings (Mr. Ilsley) in suggesting that they argued the matter from the political standpoint. I thought their remarks were singularly clear and that they presented a very graphic picture, and to some extent a

superior picture to that given us by the hon. member for Yale, inasmuch as they confined themselves entirely to the effect of the bill, whereas the hon. member for Yale wandered further afield and spoke in general terms. There are at any rate two items with which I shall deal when I come to them and regarding which may I say with all respect and politeness to him that he read into the measure something that I submit is not there.

Much has been said about the principle of this bill, I suppose there is a principle in it, but it is so obscured and surrounded by unnecessary and, in some cases, almost vicious details, that it is somewhat difficult to find it. To that principle I am in a sense committed, not from any instructions or requests I have received from home, for I have received none in connection with this bill, but rather that I have on the platform and privately at home endorsed the general idea, talking about the marketing act as it was introduced in Great Britain and saying that possibly the measure which we would adopt in time to come would be along those lines. To that extent I should be very glad to support the principle of this bill if one could disinter the principle from the mass of confusion and details which surround it. But in that case I would have to keep for myself a very large reservation of liberty to vote and work for a very thorough amendment of the bill in committee, and, if it were not so amended, to vote against it on the third reading more particularly as regards clause 9, which I consider the most vicious one in the whole bill. As, however, the government has a large majority, my vote one way or the other matters not to it; the question is only one between my constituents and myself.

I agree, in fact I more than agree with, I heartily endorse everything said by the hon. member for Last Mountain in his very well thought out presentation of the subject, especially when he stated that if the bill had followed the lines of the British act he would have been prepared to support it. I also agree with the hon. member for Hants-Kings in much of his criticism, but I differ from him in regard to the principle. I admit the truth of the point he made regarding the experiments tried in various parts of the world in curtailing production by withholding goods from the market in connection with rubber, coffee and so forth, and how they have failed. I suppose we were all brought up to believe the law of supply and demand was one that could never be defeated by any machinery of legislation. But times change and we must move with them, even possibly against a law that we thought was impregnable. But the conditions on which this bill is based are not exactly similar to those mentioned by the hon. member for Hants-Kings, and even if they were, I say that times change; there is in London a committee sitting, trying to set the price of wheat for the whole world. Does that not give a marked indication of the progress we have made along those lines?

Another argument in favour of the principle of the bill is that if we do not check or regulate our exportation, Great Britain will do it for us and will do it in a way that we do not like. Britain has already intimated to New Zealand that, despite treaties, she must cut down her butter imports. She has advised us politely and by way of negotiations, conversations, rather than by the mailed fist, that we shall have to go slowly on our exportations of cattle and I think we shall very soon find that the same thing will apply as regards our exports of butter to the mother country. The Hon. Mr. Elliot, Minister of Agriculture there, is determined, so far as he can, to make Great Britain self-sufficient from a food standpoint. One cannot blame him, but we shall have to pay some of the price.

Then again, to combat the argument of the hon. member for Hants-Kings, we have some precedents, not only in the British act but also in the New Zealand act, and I am always ready to follow the lead of those two great countries at opposite ends of the world, Britain with her sober, staid, conservative method of making progress slowly, a step at a time, but never going back and always making a success of what she undertakes, and at the other end New Zealand with the finest population on earth, full of optimism, of forward-looking movement, ready to embark on what I might call the very best form of socialistic ideas, and making a success of them. So I say, when I find those two countries uniting on a measure and giving me a precedent, I am willing to follow them a long way. In New Zealand, as far back as 1921 they passed the Meat Export Control Act which gave them absolute control, if necessary, of the whole of the meat. Of course this was only as regards export; it did not deal with domestic consumption except inasmuch as it related to export, but it provided for pooling and a levy on the whole of the produce exported. In 1923 they passed a similar act dealing with dairy produce when again they took power to make a levy on everything exported in order to finance the scheme and they also took power to pool. The scheme must have worked pretty well because that is

ten or twelve years ago and they have not had occasion to change their act since then. As a matter of fact their act to control meat exports is working very well.

Great Britain put her marketing act into force in 1931 and before much practical organization was done, she passed another one in 1933, which was largely an amplification, an extension and, to some extent, an amendment of the first one. Now pooling was unfortunately omitted from our legislation. The hon. member for Yale read into one of the sections something which he hoped rather than thought would cover that, but I have under my hand the latest advices from British Columbia where the legal authorities say that our measure does not cover pooling and that the local act cannot under our legislation institute pooling either. But pooling is in the British act and also in the New Zealand one. I think the hon. member for Yale quoted clause 4 as follows:

> The board shall, subject to the provisions of this act, have power,
> (a) to regulate the time and place of marketing the regulated product.

I have not found any lawyer who is willing to read into that power to pool the marketing of products.

I said that Britain had a marketing act and we might well follow it, but we must remember that Britain differs from us in three very fundamental and important aspects. I want to impress that upon the house. First, Britain is a small, compact country, homogeneous to a large extent in its population, and where every point can be reached easily by wire in a few minutes or by transport in a few hours. That is very important as compared with the great distances in this country. The second is that Britain has one jurisdiction and that is a most important and almost vital matter as compared with our conditions. There is only one body to give orders, to report to and so forth. We have nine and we have also the boards below that. Just imagine the vast possibilities for misunderstandings and disputes that will arise between bodies three or four thousand miles apart in carrying on negotiations and arrangements that in Britain would be dealt with in a matter of minutes.

Another equally important matter is that Britain is an importing country and in that is her safeguard, her bank, her reservoir, her safety valve for any trouble that may happen. She has only to take in the slack and say with a wave of her hand to outside nations: A little less butter or ham or bacon as the case may be. In that way her troubles are solved because she is an importing country. Her policy is destined to stimulate production and as that production grows, what will she do? She will stop the imports to a proportionate extent; she can do this, so to speak, by a wave of her hand, saying: A little less on the quota, and the whole business goes on smoothly and profitably. What have we? We have power to stop imports, but that would not do us much good. We have power to stop exports, but what good would that do us? I think it always has been found that when you get a government scheme, even if the price is low, it has a security, a certainty and a finality about it so that people will increase their production. The government of Brazil took over their coffee at a very low price and thought there would be no increase in production, but people got in new machinery and increased their production three or four times over because their money was sure. There is no doubt that this scheme will stimulate production, as is the intention in Great Britain and no doubt will be the result here, and what are we to do? We cannot raise our hands and stop importations to meet the case; we have to dispose of that slack in some way that will be very difficult to arrange.

Now I should like to deal with the bill itself for a few moments, not in regard to the details appropriate for discussion in committee but rather in its general aspects. These things, put together, form the reason why one should or should not support the bill itself. This is the most appallingly autocratic bill I ever had in my hand. Outside of Stalin I do not believe any of the dictators in Europe who at least pretend to practise constitutional government would bring forward a measure of this kind. I notice that the definition of natural products includes food or drink wholly or partly manufactured or derived from any such product. I suppose that would include liquor, which is made from grain; I want to use that illustration later on. We turn over the page and come to the dominion marketing board. Under section 3 the governor in council may establish a board to be known as the dominion marketing board, and subsection 2 states:

> The board shall consist of such number of persons as the governor in council may from time to time determine—

I wonder if what someone said the other night was true, that this act is only introduced as a gesture and is not meant to be used. I hope that is not so; I do not believe it, but certainly the utter lack of definiteness about many of these matters would lead to that supposition. This board may consist of three or of fifteen people. Is there any civil

service appointment about it; is there any returned soldiers' preference? No; it will be almost as good as the Senate; it will be a home for burned out politicians, and if fifteen is not enough members the government can esaily make it twenty. In connection with our railway board, our tariff board and our pensions board the number of members is mentioned and the salaries are named as well. Here it states that they shall receive such remuneration as the governor in council shall determine. What is the reason for that? In these other important acts which have been passed by this house the salaries of the chairman and of the other members are specified. Here it is provided, apparently, that they shall get such remuneration as they ask. In another subsection it states that the governor in council may authorize certain members of the board to exercise the functions of the board in respect of any product or class of products. I suppose that might mean one member; we might have one man in Canada placed in supreme control of the lumber business, the fish business, the butter business or the liquor business. What possibilities that opens up for campaign funds, does it not? That it is, however; one man may have that power.

There is another point here; I am not a lawyer, and perhaps this may sound ridiculous from a legal standpoint, but I mention it for the consideration of lawyers. The whole of this bill to this point is entirely superfluous; that is, this board is only a buffer, a convenient but expensive buffer between the minister and the real boards called local boards, to which reference is made later on. They are really in the same position as the British boards. There is nothing similar to this dominion board in Great Britain; they have what is here called local boards and the minister deals with those boards. Those boards are the same, as to their origin at least, as the boards that will be created under section 5 of this bill. I maintain that this dominion marketing board is a superfluity.

On the next page I see it is provided that they may regulate the time and place of marketing the regulated product. What product? A board must deal with one or more named products, but this board is not going to do any work of that kind; it is going to be a sort of senate, looking down on the real boards that are doing the work, and we are going to pay for three, five, ten or fifteen men at any price they like to name, while the local boards will do the work. That is not the way it is done in Great Britain.

[Mr. Neill.]

Then here is the most vicious thing in the act, next to section 9. Under subsection (b) of section 4 the board have the following power:

> to exempt from any determination or order any person or class of persons engaged in the production or marketing—

Mark that.

> —of the regulated product or any class, variety or grade of such product.

What is the practice under the British system? It is very different. The British system exempts certain people from the scheme, and that is a very different thing. I need not take time to go into the details, but they exempt certain small people from the working of the entire scheme. I find on looking up the act that in the case of dairy produce those having less than four cows are exempt, and that a man selling less than twenty-five eggs at one time is exempt as well. These people are saved all the bother; they do not have to register or go through any of the formalities; the government do not have to clutter up their records with them, and it is so much fairer to everyone. But what is to be the system here? This board is to be given power to exempt from any determination or order an individual or individuals engaged in producing or marketing. It might be that only one man will be exempt; the board might say, "We are going to prohibit the exportation of butter for two or three weeks" but by accident Tom Jones may be exempt from that determination. What would that be worth to him? It might be worth a small fortune. Under the British system that could not happen. In order to keep them satisfied with their lot the section hands on the railways throughout the country are encouraged to keep a cow, a pig, a few chickens and so on. They will have to sit up nights in order to make these returns; they will have to be registered and so on, with all the trouble involved. The greatest danger, of course, is that somebody with a pull may just happen to be exempt from the marketing order that may be made, and if he is an exporter himself he will make a very good thing out of it.

Further on in the act there is provision for lending money for the construction or operation of facilities for preserving, storing or conditioning the product. Every man who has a root house for potatoes or anything else will want the government to pay for it; every man who has not a roothouse will want the government to build one. All the creameries will want some help from the government. There is also provision for research

work. That may be all right in Great Britain, but it has nothing to do with this bill. We deal with research work in another way in this country.

Then we come to subsection (f), which states:

to require any or all persons engaged in the production or marketing of the regulated product to register their names, addresses and occupations with the board, or to obtain a licence from the board—

All these men with one cow and a pig have to get licences from the board, and those licences are subject to cancellation on the say so of the board for the violation of any provision. Is that the system in Great Britain? It is not. There they outline the penalties in their scheme; violations are punished by fines, and they do not go so far as cancelling the licence of the individual. And as the hon. member for Last Mountain pointed out last night, they make provision for looking after the consumer. There is a consumers' committee, who see that the scheme does not injure the consumer. Above that there is another committee which has power to take action and change the scheme if it finds any abuse or injury being committed. Is there anything of that kind in our act? If there is I have not found it. Again it is provided that people must send in all these returns. Fancy the poor section hand sitting up at night asking his wife how much she churned in March and how much in April, because if he does not know that the whole return is upset.

Then subsection 2 reads:

The board may collect charges for services rendered,

(a) in respect of all or any portion of the regulated product marketed under its direction, and

(b) if it cooperates or acts conjointly with any marketing board or agency established under the law of any province, in respect of all or any portion of the product subject to regulation by such provincial board or agency.

I do not find much fault with that except that it leads to confusion and a great deal of bookkeeping. Then, right near the end of section 4, half way through the whole bill, we come to the first mention of the real scheme. The word "scheme" is noticed for the first time in the reference to the board. At section 5 I find the following:

A representative number of persons engaged in the production and marketing or the production or marketing of a natural product may petition the governor in council to approve a scheme for the regulation of the marketing of such natural product by a local board under the supervision of the board.

This is the real thing; this is the real act. This is the thing which corresponds to the British board, namely that which we call the local board. The procedure is to petition, and one minister, remember, considers whether that petition is good, or whether those men are representative. My friend and I may call ourselves representative, and yet we may not be. The British system requires that they shall be substantially representative. The minister makes the decision, just one man,—just the minister. If he is satisfied and considers the petition satisfactory he does not have to give any explanation. When the minister goes to the House of Commons in Great Britain he has to give reasons why he thinks his decision is all right, and he has to put his views in writing. But in this country, according to this bill, he does not need to do anything at all, except—consider. If he considers the thing is O.K. and the persons engaged are sufficiently representative the scheme shall be referred to the board. In that connection I shall but refer to the foreword to the British act. This is what it says:

Every scheme shall be administered by a board elected by the producers.

Are our schemes going to be administered by boards elected by the producers? Not at all. We can elect a lot of Chinese laundrymen, if we wish, and it would be quite all right.

Then I shall turn to some of the provisions pointed out last night by the hon. member for Last Mountain. I shall touch upon them only briefly. This is what the British minister has to do: He has to get the petition, and then he has to publish it for a period of six weeks. Then he holds a public meeting to see if anybody wishes to kick about it. Then he lays it before each house of parliament, and along with it must be a copy of the evidence which convinced him that the scheme was suitable. His action must be the same both before the House of Commons and before the House of Lords. Then they have to provide for a board to administer the scheme. The men who run it have to be elected in such manner as may be provided by the scheme, and they must be registered producers. After all that is done, namely after the House of Commons and the House of Lords have O.K.'d the procedure, the minister approves the scheme, but he suspends it for about two months, within which time he takes a plebiscite or a poll of all the registered producers. If sixty-six per cent do not vote for it the whole thing is off, and if less than fifty per cent vote it is closed off automatic-

ally. These are some of the safeguards imposed by the British government, but which are wholly lacking in the measure before this House of Commons. Under this measure the scheme needs only the O.K. of the minister who thinks that Tom Jones and his friends are decent fellows—and he lets it go at that.

In order to give a further illustration I should like to make a quotation. Apparently in the British parliament they have introductions to their bills, and in this instance I quote from introductory remarks:

> The procedure regulating initiation and control of schemes is democratic in character.

Can we say that about our measure? It continues:

> By whomsoever they may be prepared, schemes may be submitted only by producers of the product concerned; moreover, there must be a poll, on which all affected producers can vote, before any scheme comes into full operation. Similarly, democratic control in the administration of every scheme is assured by the fact that the board, i.e., the administrative body entrusted with the administration of the scheme, is composed of the elected representatives of registered producers.

How very far distant is that from anything to be found in the measure before us. Democracy?—democracy appears to have been forgotten when this bill was drafted.

Then we come to some of the provisions to be found in the measure. I find that every scheme shall state "the number of persons who shall comprise the local board and the basis of their selection." It may be the president of the Liberal or the Conservative association, so far as this regulation is concerned. They do not need to be representatives of producers. The stipulation is merely as to the "basis of their selection." Selection?—they may agree upon an appointment by the minister. It does not say "election" but "basis of their selection." That is where the hon. member for Yale went wrong. He stated that they would be elected by the producers. Probably the hon. member hopes so, but certainly there is no guarantee of it in the measure.

Then section 6 indicates that the framers of the bill have awakened at last, and have thought of giving some publicity to the thing. In that connection section 6 states:

> When a scheme has been approved by the governor in council, the minister shall give public notice thereof in the Canada Gazette.

That is, when the scheme has gone through the successive stages of the minister, the board and the council, this action will be taken Why not do it before the scheme is approved? Would that not be a good idea, when they are going to publish it afterwards in the Gazette? So much for Canadian democracy.

Then in section 8 we find a provision which at the present time I shall not go into. It is a provision for extending the power of any local board, but there is no check on them, and no suggestion of how it is to be done. It is just simply on the say so of the minister, or if the governor in council is satisfied with the recommendation of the minister. That is all that is required. I may remind the house that in Great Britain one has to go through pages of forms, if a scheme is to be substituted, amended or extended. The same performance has to be followed which is followed in an original case. One has to go through the House of Lords, through the House of Commons and so on. Here the extension may be made, heaven knows to what extent, simply if the minister himself is satisfied.

Now we come to section 9—and that is the section which I consider the most vicious in its import. I cannot see how the minister, a man whom I respect, with whom I have no trouble at all and with whom I never had a harsh word, could sanction this section. Much as I respect him I cannot understand why he has allowed section 9 to creep into the bill. I do suggest that the progress of the measure would be greatly helped if section 9 were eliminated. It is as follows:

> Notwithstanding that no petition in relation to any natural product has been filed, the minister may if he—

—think it is necessary, put in a scheme of his own. If he thinks it is necessary he can draw it up himself. Because he believes some trade to be injuriously affected he may propose a scheme for the marketing of the products of that trade. He does not need even to take it before the board. He takes it to the governor in council, who, in turn, approves of the scheme and authorizes the board to administer such scheme directly or through any agency which it may establish. It is not limited even to the formalities of the rest of the bill, but is given entirely to any agency which may be established.

Let me suggest this: Everything is going along smoothly and quietly in a certain industry, but all of a sudden out of a blue sky the minister takes the notion—or some minister; I shall not refer to any particular minister, because he is not named—some person makes a suggestion to the minister who says, suddenly, " We will have a scheme about

that; I shall draw it up and I shall have the government approve of it"—which, of course, is a mere formality—"and then I will appoint a board, and the board will appoint Tom Jones to run it." The whole of that industry may be run by that man, without warning or notice, except that publication will be made in the Gazette after everything is all cut and dried. The expression in the bill is: "through any agency which it may establish."

Then, section 12, subsection 2, is as follows:

The governor in council may, by order or regulation published in the Canada Gazette,

(a) provide that any natural product shall not be exported from Canada without a licence.

That, of course, is a necessary provision, and I agree with it. But I notice that the British act of 1933, which I have before me, gives the same provision, namely, that the government may prohibit the importation of any particular article. In the British act, however, there are four pages of safeguards. If any hon. member questions my statement may I say that I have the measure before me, and he may see for himself that there are four pages, as I have indicated. But here it is simply done by the governor in council.

I visualize the situation like this: The governor in council may provide that a certain natural product shall not be exported from Canada. In the constituency which I represent there are many trollers, that is, fishermen who troll for salmon. At this time of the year their market is entirely in the United States, in Seattle. I need not go into why that is so, but I simply state that that is the case. They could get a market in the canneries, but it would be an inferior market. The canneries do not particularly need it because it is not good for canning, but they could handle it as fresh fish. Suppose a couple of canners got together and, after using influence, got the board to decide that none of that fish was to be exported. What would be the situation of those trollers? What remedy would they have? Under the British act when a man is aggrieved by its operation he can go before two arbitrators appointed under the act. You will find all that in the 1931 act, I think it is. He can go before two arbitrators and get a ready form of arbitration. There is nothing of that kind here. No; he simply has to take his medicine.

The minister said that he thought there were three requisites for this act, and that was that it should be sound, simple and practical. What a travesty on the English language if you call this bill sound, simple and practical! It is a travesty on truth and justice and common sense to call this bill sound, simple and practical. If I had two bitter enemies I would not wish them a worse fate than to put one to run this act and the other to try to make a living under it. It would be a case indeed of "Judah is avenged of her children."

My time is nearly up, but I would like to say a word on part II. That is the less important part of the bill. It is the part that deals with investigations into spreads. The first part deals with people charging a commission; the second is concerned with the people handling; and the third provides that the minister may at the request of the board or on his own initiative institute an investigation of the spread on any natural product. Why natural products? Why not any product at all? A lot of evidence has been given before the price spreads committee dealing with the horrible spread and the slum conditions and sweated wages of workers on manufactured articles. As this bill is dealing with spreads, why not deal with spreads in manufactured articles also? I suggest that if it is going to inquire into the spread on natural products, the bill might as well also be applied to the spreads in manufactured articles so as to give the consumer a little look in.

Section 18 of the bill says, a regulated product. Surely it should be natural product, any natural product, in fact, any product at all. Then section 21 provides that every person who receives a spread that is excessive shall be liable to a penalty not exceeding $5,000 or two years imprisonment in the case of an individual, and to a penalty of not exceeding $10,000 in the case of a corporation. That is put in just as window dressing. They might as well have said ten million dollars. Is there any chance of any company paying a fine of $10,000 for an offence under this act? Would it be fair that any individual should have to pay a fine of $5,000 for some very petty offence against this act?

Another thing. A spread is a rather difficult thing to determine. What is a fair spread to me might be a much more expensive spread to my neighbour. By improved methods, greater energy and good management one man may be able to handle an article at a lower cost. If his case is selected as the criterion the other man is going to pay a fine of $5,000 simply because he uses obsolete machinery or does not have the same energy or good management as the other fellow. I do not say that the man with the antiquated methods should be taken as the standard, but I do say that he should not be fined $5,000 judged by the standard of the man with more modern methods and better management.

I suppose, Mr. Speaker, that some will say that I have been simply tearing this thing to pieces and trying to attack it in a political way. I have nothing to gain in a political way by attacking this bill. It is not an issue in my district, and I can take as impersonal and unprejudiced a view of it as I ever did of anything. But as I see it, this bill needs not an architect but a wrecker. Let us tear it down and build it up again. All praise and credit to the minister for the conception behind the act, but let us have an act that really regulates and that will be effective in the interests of the men described by my hon. friend from Yale and my hon. friend from Hants-Kings. Then no one will be more willing to support it and promote its passage through the house than myself.

Mr. J. L. BROWN (Lisgar): Mr. Speaker, I think there will be general agreement with the statement of the hon. member for Yale (Mr. Stirling) that this is one of the most important bills that has been introduced into the house in many years. It is generally recognized now that agriculture is the industry upon which the prosperity of Canada must be based, and the marketing of agricultural products is a matter that has given great concern to the farmers during very many years.

In the early days of our farmer organizations in the west, when we undertook to concern ourselves with the marketing of our produce we were practically told by those interested in the trade that the marketing was none of our business, that our business was to produce, and they would take care of the marketing. Well, we did not see it that way. We thought it was a matter of very great concern to us not only to make two blades of grass grow where one grew before but to see that what we produced was put on the market at the highest profit to ourselves. So we proceeded to consider ways and means of marketing, and we did establish cooperative institutions that have functioned with greater or less success, some of them with a great deal of success, and some of them unfortunately proving apparently a failure.

I wish at the outset to pay a tribute to the two hon. members who started the discussion of this bill, the hon. member for Last Mountain (Mr. Butcher) and the hon. member for Hants-Kings (Mr. Ilsley). With their keen legal minds they have analyzed the provisions of this bill and thoroughly exposed its weaknesses, so that it is only necessary for those of us who follow to deal with some of the details and point out some of the situations that are likely to arise and that undoubtedly will arise if the provisions of this bill are put into effect.

I wish I could pay a similar tribute to the Minister of Agriculture (Mr. Weir). So far as explaining the principle of the bill is concerned his speech was very disappointing. Not only did he not deal with the details of the bill, but he did not even remotely touch upon its principles. I can come to only one conclusion, though it may be a wrong one, and that is that this bill was something that was handed to him and that he was told to put it across. But in some respects the minister's speech was an excellent one, and under certain circumstances I could have listened to it with a great deal of interest. The minister showed a very clear understanding of the difficulties that have confronted the farmers in handling their produce profitably. Being a farmer he clearly recognizes the handicaps that have been imposed upon us, but in my judgment he completely failed to set forth even in a general way the principles which he proposes to apply through this bill to remedy the present difficulties.

The minister told us that he had received many communications from all over Canada endorsing this bill. I am not at all surprised at that. The attitude of the farmers, unfortunately, and the same may be said of other sections of the population as well, has been such that during the hard times through which we are passing they are ready to accept almost anything that holds out the slightest hope of better conditions. They are ready to try almost anything, and so I am not at all surprised that a general expression of approval of this bill should have come from many sources. But it must be remembered that these expressions of approval have been founded on a very insufficient knowledge of the bill, and I think we may fairly ask what, after all, are men's opinions worth who only know that it was the intention of the government to bring in a bill to facilitate the marketing of farm produce and who know actually nothing about the details of the measure proposed. It may be that there are institutions here and there which have received copies of the bill and, therefore, are in position to express a measure of intelligent opinion upon it, but I am quite satisfied that many of these expressions of approval have come from men who are not sufficiently informed of the contents of the bill and of how far-reaching it is in some respects. Undoubtedly the avowed purpose of the bill is one of which we must approve; according to the title it is an act to improve the methods and practices of marketing of natural products in Canada and in export trade, and to

make further provisions in connection therewith.

I have not the slightest doubt—I am speaking now of men in the prairie provinces where our wheat is grown—that many men are of the opinion that this bill is to provide something like the old wheat board which was established to handle the crop of 1919. I think we can pay a tribute to that board and say that it was a magnificent success under the guidance of Mr. James Stewart. I believe that gentleman served on the board without recompense, and he was supported by men who were well acquainted with the grain trade. Undoubtedly that board handled that crop to the satisfaction of the farmers. If I remember rightly, we received an initial payment of $2.22½ or $2.25 and a final payment of 48 cents per bushel. We were quite satisfied. There was a demand that that board be continued. There was a mistaken feeling that such a board could continue to do for us what Mr. James Stewart had done with the crop of 1919. I have no doubt that remembering the satisfactory manner in which that board functioned, many are looking forward to the establishing of a board which will bring about the conditions which prevailed at that time. However, I think we can put out of our minds the thought that any wheat board could do for us to-day what that wheat board did under the circumstances which prevailed at that time. It is not at all surprising that expressions of approval should come from many different sources.

The minister referred to some of our co-operative efforts and he gave some of the reasons why he thought some of those experiments had failed. I agree with most of the reasons he gave, and I certainly agree with him when he says that one of the main causes of failure was the putting into positions of business management those who had made a success as propagandists. I do not intend to mention specific cases but we have good reason to know that some of the mistakes made in a business way were made by men who had no business capacity but who were capable propagandists. It is a good thing to have propagandists for a cause but the fact that a man is able to get up on a platform and expatiate upon the benefits of a particular line of conduct does not mean that he is capable of handling such a business as the selling of wheat. I have had men tell me that they did not consider there was anything to the selling of wheat and that in their opinion such an operation did not require a clever man. There are those who use the statement of the former Minister of Trade and Commerce (Mr. Malcolm) to the effect that wheat sold itself. At the time that the former Minister of Trade and Commerce said that, that statement was largely true. It did not require any great activity on the part of the government to sell wheat, but things have changed.

Mr. STEVENS: Will my hon. friend permit me to interrupt? His last statement which has gone on Hansard is to the effect that I said that.

Mr. BROWN: I said the former Minister of Trade and Commerce.

Mr. VALLANCE: It is just as true as if you had said it.

Mr. BROWN: I think the minister would have said the same thing at that time.

There was another reason given by the minister for the failure of the cooperatives and it is one to which too much weight must not be attached. He said that many of these cooperatives failed because they did not have one hundred per cent control. The hon. member for Yale has stated the case of the fruit growers very clearly and in most moderate language. We always listen to what he says with a great deal of interest, and I have no doubt that what he said with regard to the difficulties which confronted those growers in the marketing of their fruit is absolutely true. I have no doubt that the situation which prevailed in Vancouver with regard to milk is as has been described, but we must not carry such arguments too far. There are those who say that the failure of the wheat pool was attributable to the fact that they did not have one hundred per cent control. I do not intend to go into the causes at any great length, but I state most emphatically that whatever they were, they were not attributable in any sense to the fact that they did not have one hundred per cent control. At the time that the pool was on the verge of bankruptcy, if not already bankrupt, it was a strange attitude for the executives to take when they said that if they had only had one hundred per cent control they could have handled the thing much better. I do not want to be unjust in my criticism of the pool but in my judgment there is no doubt that had the fluctuations in the grain trade been normal the pool would have continued to function with satisfaction. But it could not stand up against the tremendous drop which occurred in the price of wheat, especially when the initial payment had been more than that ultimately received for the wheat. All I ask of any body of officials is that they be honest and face the facts and not make undue claims for powers which it would have been impossible for them to exercise under any condition.

There is another cause for the failure of our cooperatives, and it is one of the weaknesses of democracy. One of the weaknesses of our cooperative institutions is the unwillingness to pay for good service. I think I have heard the former Minister of Agriculture complain that he lost some of his best officials because he was not allowed to pay a remuneration high enough to retain them, and unfortunately it is still true of our cooperative institutions that there is an unwillingness to pay for the service of good men. I remember very well that when we organized the first large grain handling company in the west, the Grain Growers Grain company, one man said that he would manage it for a thousand dollars a year. It might have been managed for one year and there would never have been a second. That is undoubtedly one of the reasons for the failure of our cooperative companies.

There is another reason which is perhaps pertinent to this discussion—the disposition to want to pull down existing institutions and to establish something new. We have that disposition manifest not only in our farmers' cooperatives but in governmental institutions.

An hon. MEMBER: We want to change the government.

Mr. BROWN: That is always in order, I suppose. But we have suggestions to-day that instead of working with the economic system we have, for example, we must entirely dispense with it, overthrow it and establish an entirely new system. And so we had this in our marketing institutions; the old system must go; it could not possibly exist side by side with the new, and anyone who suggested that we must go slow and experiment with the new before completely discarding the old was sneered at and scoffed at as a man opposed to all the farmers' interests. And that practically constitutes one of the reasons why our cooperative institutions have not had the measure of success that we should like.

If it is agreeable, Mr. Speaker, I would move the adjournment of the debate.

Motion agreed to and debate adjourned.

On motion of Mr. Guthrie the house adjourned at 10.50 p.m.

Wednesday, April 18, 1934

The house met at three o'clock.

OATHS OF ALLEGIANCE ACT

Hon. ERNEST LAPOINTE (Quebec East): Mr. Speaker, with the unanimous consent of the house I should like to move that item No. 38 on the order paper be struck off. My reason for doing this is that the hon. Secretary of State is introducing a bill which meets the purpose I had in view. He has kindly shown me a copy of the bill, and I am quite agreeable to it.

[Mr. Brown.]

Bill withdrawn.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

*BEAUHARNOIS POWER PROJECT BONDS

Mr. GARLAND (Bow River):

Are the chartered banks or any of them advertising for sale any part of the sixteen million dollars worth of Beauharnois bonds held by them as collateral security?

Mr. BENNETT: Mr. Speaker, as far as the government is aware the chartered banks disposed of bonds to the extent of $15,000,000, par value, to a syndicate which made an offering to the public. Of the amount sold one-half was applied against the guarantee given by the government.

TRACADIE, N.B., LAZARETTO

Mr. VENIOT:

1. Were tenders called for the installation of an electric lighting plant in the lazaretto at Tracadie, New Brunswick?
2. If so, when, and how many tenders were received?
3. Who were the tenderers and the amount of each tender entered at noon January 18, 1934?
4. Who was the successful tenderer and the amount he tendered on January 18, 1934?

Mr. STEWART (Leeds):

1. Yes.

2. (a) Tenders to be received not later than January 18, 1934; (b) Five tenders received.

3. Northern Machine Works, Bathurst, N.B., $3,100; J. S. Parker, Saint John, N.B., $3,395; E. J. M. Bourgeois, Tracadie, N.B., $3,423; C. V. Clark, Saint John, N.B., $3,652; E. S. Stephenson & Co., Saint John, N.B., $4,675.

4. (a) Northern Machine Works, Bathurst, N.B., (b) $3,100 (Date of tender January 15, 1934).

QUESTION PASSED AS ORDER FOR RETURN

CANADA-GREAT BRITAIN TRADE STATISTICS

Mr. GOTT:

1. What were the total exports from Canada to Great Britain for the fiscal years ending March 31, 1921, 1922, 1923, 1924, 1925, 1926, 1927, 1928, 1929, 1930, 1931, 1932, 1933, 1934?

2. What were the total imports from Great Britain to Canada during the foregoing years, naming major commodities and amounts?

MOTIONS FOR PAPERS

NOVA SCOTIA PUBLIC WORKS EXPENDITURES

Mr. DUFF:

For a return of an itemized statement showing the particular undertakings which make up the expenditure of $472,000 disclosed in the Auditor General's Report for 1933, Volume 2, M-8, for public works in Nova Scotia; also an itemized statement showing the particular undertakings which make up the expenditure of $390,000 disclosed in the Auditor General's Report for 1933, Volume 2, M-8, for trans-Canada highway.

GRANDE-ENTREE CHANNEL BUOYS

Mr. CHEVRIER (for Mr. Brasset):

For a copy of all correspondence and other documents exchanged between the Department of Marine, or the department's office at Charlottetown, and any persons of the Magdalen islands, county of Gaspe, respecting the buoys of Grande-Entrée channel, from October, 1933, to date.

PEDIGREED HOGS

On the orders of the day:

Mr. T. F. DONNELLY (Willow Bunch): Mr. Speaker, I should like to ask a question of the government based on an article which appears in this morning's press. In a Canadian Press dispatch I notice that a question was asked in the British House of Commons as to why Canada was buying sixty or seventy pedigreed pigs from Sweden. Mr. Thomas said that all but eight of these pigs were not produced in England. I should like to ask the government if it can tell the house for whom the pigs are being bought, what their pedigrees may be, or any information they may have in that connection.

Right Hon. R. B. BENNETT (Prime Minister): The hon. member's question will stand as a notice. The minister is absent to-day.

THE BUDGET

ANNUAL FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

Hon. E. N. RHODES (Minister of Finance) moved:

That Mr. Speaker do now leave the chair for the house to go into committee of ways and means.

He said: Mr. Speaker, this year for the first time in the course of this prolonged depression it is possible to review the year's operations in terms of business improvement, reviving confidence and expanding revenues. Three successive budgets have been delivered in the face of a progressive decline in business with the inevitable disappointment in revenues and inability to meet necessary expenditures. Last year I expressed the belief that the turn in this tide had been reached and I ventured the hope that important developments which had occurred or were under way would lead to an early recovery of business activity. What was then a hope can now be asserted with confidence as a fact of experience. The fiscal year which has just closed has been a year of recovery—recovery that is unmistakable and of greater magnitude than many had thought possible.

The evidence of business recovery is written incontrovertibly in the recorded facts of our industry and trade. I desire not to weary you with statistical details but as a thorough appraisal of current business conditions is an essential of sound budgeting and as depression psychology is still rather too prevalent, I propose to review the essential facts as briefly as possible.

The most comprehensive measure of economic activity in Canada is the index of the physical volume of business prepared by the Dominion Bureau of Statistics. It is based on a compilation involving forty-five economic factors, including production of our leading manufactured articles, mineral products, and electric power, as well as freight cars loaded, construction contracts awarded and the volume of trade. In February, 1933, when business reached its low point in Canada, that index stood at 67·0. In February, 1934, the latest month for which the figures are available, the index had risen to 86·4, an increase of no less than 29·0 per cent. During the same period, manufacturing production increased by 41·7 per cent, mineral production by 13·7 per cent and total industrial production, including construction, by 38 per cent. These figures are of striking significance when compared with similar figures for the United States. According to indices prepared by the Federal Reserve Board, the corresponding increases for that country were 31·1 per cent for manufacturing production, 15·2 per cent for mineral output and 28·6 per cent for total industrial production. Their improvement was considerably more rapid than ours last summer, but their gains were not consistently held; with us, recovery has been more gradual but also more persistent.

Other indices of a general nature tell the same story of business recovery in Canada. The total amount of cheques cashed at chartered banks in thirty-two clearing house centres increased 16 per cent in 1933 over 1932 and another 23·4 per cent in the first two

months of the present year over the same period last year. These bank debit figures reflect not only the volume of ordinary business but also increasing activity in financial transactions.

In this power age, increasing sales of electrical energy are also an indication of general business expansion, although the increased use of electrical appliances or processes in home and factory and the increasing sales of secondary power for steam production make it impossible to regard power output as an accurate measure of such expansion. Since the first of this year, the output of central electric stations has established a new record level for all time. In February the average daily output was 57½ million kilowatt hours, an increase of 24·1 per cent over the corresponding month of 1933, and 19·8 per cent over February, 1929.

The increase in the movement of railway revenue freight is an even more significant symptom of general business improvement because it points to better days ahead for our two great railroad systems. In the first twelve weeks of this year 491,279 cars were loaded, showing an increase of 23·9 per cent over the same period last year. The gain of 95,064 cars in the elapsed period of the present year reflects a heavier movement in ten of the eleven commodity groups of the official classification, grain alone showing a slight decrease as compared with last year. Furthermore, traffic is now practically up to the level of the movement of two years ago.

Again comparing February, 1934, with February a year ago, we find the following striking increases in productive activity in individual industries; pig iron production, 100 per cent; steel production, 369 per cent; newsprint production, 38·9 per cent; imports of raw wool and yarn, 143 per cent (in the textile industry imports of raw material are the best measure available of productive activity); raw cotton imports, 84·2 per cent; exports of boards and planks, 178·6 per cent; nickel exports 57·7 per cent; and construction contracts awarded, 72·8 per cent. During the past three months, contracts awarded, although still at a comparatively low level, were double the figure for the first quarter of last year. This improvement in the construction industry, which has been unduly depressed and which stimulates so many material manufacturing industries, is of special significance.

Expansion in the scale of operations should bring an enlargement of business profits if industry is operating on a sound basis. While the earnings of most business organizations during the past year were affected adversely by the declining trend of the early part of the year, there is convincing confirmation of improvement for the year as a whole in the figures of company profits. A recent compilation of the latest earnings statements of 79 important companies showed that 64 reported net profits aggregating $61,500,000 after all charges, against $47,000,000 in the previous year, an increase of over 30 per cent, while the remaining 15 reduced their deficits from $8,600,000 to $7,100,000.

Of more importance is the effect of this expansion in private business upon the absorption of unemployment, the most pressing social problem of the depression years. In the twelve-month period ended on March 1, the index of employment rose from 76·9 to 92·7, an increase of 20·5 per cent. At the beginning of March returns from 8,499 leading employers showed 153,688 more employees on payrolls than were reported at the same date a year ago, and of this total, 114,214 represented increases in industries other than highway construction and maintenance, and, presumably therefore, have not been affected by governmental activity in connection with unemployment relief. On the basis of these returns from a limited group of employers it has been estimated that the total increase in employment in Canada during the year was at least 250,000.

There is one other economic factor upon which I wish to comment at this stage, namely, the movement of commodity prices. The world depression cannot be attributed to any single cause but with a very considerable measure of validity it may be interpreted in terms of the drastic fall in the world level of prices with consequent inevitable disparities in different groups of prices. The result was not only substantial inequalities as between various economic groups but a serious disequilibrium between costs and prices which impeded individual enterprise and threw the whole economic mechanism out of gear. Recovery from the depression may be measured by the progress made in reestablishing a reasonable equilibrium between the various parts of the price structure—a working equilibrium between producers' costs and prices, between prices of primary products and those of finished products, between wholesale and retail prices, and between debtors and creditors, whether they be individuals, corporations or countries. Such restoration of equilibrium may be achieved either by a reduction of costs or by a rise in the general level of prices, or by a combination of both tendencies. During any depression a gradual reduction of costs and a considerable amount of liquidation always takes place, and up to a certain point

the working of these normal automatic forces is highly beneficial. But so catastrophic was the fall in prices from 1929 to 1933 and so rigid are certain elements of the price structure (such as interest, taxes, etc.) that reliance solely upon this method of curing our economic ills would have involved such a measure of deflation and liquidation as would possibly have imperilled the stability of our social and economic fabric.

For this reason the government has consistently pursued a policy designed to stimulate a rise in prices by every sound means. As Canada is so heavily interested in export trade it has been recognized that our most important need was to secure a rise in the world level of commodity prices. Consequently, at the Ottawa conference in 1932, at the World Monetary and Economic conference in London last summer and in the negotiations which followed and which led to the issue of a joint statement on monetary and economic policy by the nations of the British commonwealth, we did our utmost to secure the adoption of common policies designed to promote first a rise in, and later a stabilization of, the world level of commodity prices. For reasons which I need not discuss at this time it proved impossible to secure as great a measure of international cooperation and the employment of as aggressive policies as was thought desirable. Nevertheless, as I shall show later, such action as has been taken has not been without a considerable measure of success. But our efforts have not been limited to the international sphere. I shall have occasion later to refer to the steps we have taken and the success achieved in fostering within Canada a lowering of interest rates and ease in the money markets, which constitute essential conditions favourable to a rise in commodity prices. The inadequate machinery of our Finance Act has been administered as far as practicable with this end in view, and, as you are aware, we are proposing to set up a central bank which is designed to give us an effective mechanism for cooperating effectively with other countries in a program to raise and stabilize price levels, so far as may be possible within the scope of monetary action.

In October, 1931, an order in council was passed prohibiting the export of gold from Canada except under licence. That was the final step severing the chain which bound us to the gold standard currencies, then subject to deflationary tendencies. As you are aware, it was followed by a substantial decline in our foreign exchanges which improved the competitive position of, and the prices received by, our export industries, although at the same time it increased the burden involved in carrying our external obligations. Many have considered it unfortunate that, because of the more rapid depreciation of sterling, our currency, though at a substantial discount in New York, still remained at a premium in London. I had occasion last year to point out that in fluctuating about halfway between the United States dollar and the English pound, our dollar was working out probably the most practicable compromise between those of our national interests which would be benefited by close and stable relations with sterling, and those on the other hand which would be seriously harmed by a heavy and fluctuating discount in terms of New York. Fortunately, the developments during the past year in connection with these two basic currencies both of which affect our interests so materially have been of a nature extremely favourable to Canada. In February, 1933, sterling in Montreal was quoted at an average discount of 15·9 per cent; in February of this year there was an average premium of 4·3 per cent. In February, 1933, New York funds ruled at an average premium of 19·7 per cent, whereas in February this year this average premium had been reduced to 7/10 of 1 per cent. During the last few days sterling has been quoted from 5·14 to 5·17 in Montreal and New York funds at a discount of 1/8 to 1/4 of 1 per cent. These rates of course mean that our exporters obtain a slight advantage in the British market and Canadian debtors are at no disadvantage in meeting their obligations payable in United States funds.

Much misunderstanding, however, seems to persist in connection with these highly technical matters of money and exchange. For instance, it is sometimes claimed that we should devalue our currency on the same basis as the United States have devalued theirs. This criticism appears to reveal a complete lack of appreciation of the fact that our dollar is currently selling on an approximate parity with that of the United States which has been devalued by slightly over 40 per cent. I have much sympathy with the desire for stabilization which may be latent in this argument, but in my view stabilization of our currency must await the establishment of a stabilized ratio, at least on a de facto basis, between the United States dollar and the English pound. So strongly are our interests tied up with both of these currencies that a policy of tying to one and not to the other would represent a poor second-best and not an ideal policy. I would have to qualify this general statement if either of these currencies should exhibit a deflationary tendency; that

would involve a changed situation calling probably for a radically different decision.

In addition to these measures which have been taken to foster a rise in the general price level, I may add that the international wheat agreement which was signed at London is designed to effect by a better adjustment of supply and demand the price of wheat, which is so important a staple in our domestic economy and so important a constituent in the world price level. Our efforts to foster a rise in prices by every sound method will not be relaxed. In particular it is expected that our public works program will contribute to that end by accelerating the progress of business recovery already happily under way.

Granting that a rise in commodity prices is highly to be desired, the record of the past year has been distinctly favourable. From February, 1933, to February of this year the general index of wholesale prices in Canada rose by 13·4 per cent. This rise has been less rapid than that in the United States but more rapid than that of most other countries. The official index of the United States Bureau of Labour statistics is not yet available for the month of February, but the more rapidly fluctuating index compiled by Dun's shows a rise of 28·1 per cent during the period mentioned. In England wholesale prices have risen by 9·2 per cent according to the figures compiled by the Financial Times of London.

As an indication of the extent to which the maladjustments between various price groups have been corrected in Canada, I may add that while the wholesale price index was rising 13·4 per cent, the index for farm prices rose by no less than 34·9 per cent. Furthermore, the prices of raw and partly manufactured articles showed a rise of 23·8 per cent, as compared with one of 11·4 per cent for fully and chiefly manufactured commodities. It should be noted also that the price of Number 1 Northern wheat at Fort William averaged 43·2 per cent higher in February this year than in February, 1933, while the corresponding increase for cattle (steers, good 1,000 to 1,200 lbs.) was 45·7 per cent, and for bacon hogs at Toronto, 153·8 per cent.

I have referred to the steps which have been taken to promote a lowering of interest rates. Interest is one of the rigid factors in our price structure and the burden of fixed charges caused by the extravagant borrowing of the war and post-war years, aggravated enormously as it has been by the fall in prices, and for public bodies also by the necessarily large expenditures for unemployment relief during the depression, has been too frequently discussed in this house to need elaboration here.

[Mr. Rhodes.]

For certain individual debtors the burden has become unbearable and the government proposes to bring down at an early stage legislation designed to provide machinery whereby farmers who find themselves unable to pay the fixed charges on their outstanding debts will be able by an expeditious and inexpensive process to work out compromises with their creditors and to obtain new working capital. The guiding principle of this legislation will be to secure for the farmer a simplified debt structure reduced in size to a point where the carrying charges will be within the capacity of the farm enterprise to pay. This will involve some concessions on the part of creditors but these will be more than outweighed by the advantages which will follow as a result of retaining the farmer on the land as a willing and effective producer. The release of economic energy so produced and the substitution of hope and goodwill for despondency and discontent which are now prevalent in certain areas should result in a very real gain to our whole domestic economy.

The claim has been made that a somewhat similar procedure should be applied to certain classes of public debt in this country. This question was effectively dealt with in the statement made by the Prime Minister in this house a few weeks ago and is too large and complicated a subject to call for more than a passing reference by me at this time. But as I have outlined our proposals for dealing with farm debts, I wish to make clear why in my opinion the same kind of remedy cannot be applied to the problem of public indebtedness.

In the first place is the fact that so large a proportion of the direct and guaranteed debt of the dominion and the provinces is held by foreign investors. Not only that but, as a result of the method of financing in the post-war years a very large proportion of these foreign and of domestic holdings is in the form of bearer bonds payable at the option of the holder in either two or three markets. It is therefore impracticable, if not indeed entirely impossible, to administer a policy that would seek to differentiate between the Canadian and the foreign investor. Whatever argument may be advanced in favour of a comprehensive policy of scaling down all fixed charges due by Canadian debtors to Canadian creditors—and this would involve, what is too frequently overlooked, a reduction in payments to be made by as well as to Canadian creditor institutions such as insurance companies, mortgage companies, trust companies and banks—I doubt whether there are many Canadians who would be willing to contemplate a program which would involve

even a partial repudiation of our external obligations. In addition to our traditional attitude towards the carrying out of our obligations according to the letter of the contract, there is the compelling motive of self-interest. Canada is a young country with a vast store of natural resources that has only begun to be tapped. If we are to convert those potential resources into consumable wealth and thus into a higher standard of living for our people, we will need the fructifying influence of foreign capital for years to come. We have a right to expect that our foreign creditors will not make it difficult or impossible for us to pay our interest and maturing debt obligations but, unless I am seriously mistaken, this country will never take any deliberate action that would cut off or seriously impede the flow of foreign capital for the development of our resources.

The second consideration I wish to place before you is that great as is the burden of our public debt, it is not beyond the capacity of our people to pay. I am sure you will grant that I am in a position to appreciate to the full how serious the burden is, not only to the dominion government but to some of our provincial governments as well, and I wish here to pay a tribute to the splendid spirit of the Canadian people under the strains and sacrifices of the last five years. That spirit as well as the stability and resiliency of our economic system have been beyond all praise. Also worthy of commendation are the earnest efforts which have been made by practically all public bodies to adjust their finances to the new and trying conditions, despite the criticism of the well-meaning arm-chair critics who find it easy to solve the difficulties of public treasuries by neglecting part of the problem. But the point I wish to make is that, oppressive as our burdens have been, they have actually been borne through the worst of the depression and at a level of taxation which is not abnormal when compared with the tax rates which certain other countries have imposed upon themselves. Furthermore, as I have tried to demonstrate, we are returning to more normal business conditions and price levels with a speed which a year ago few of us would have ventured to predict. With a normal volume of business and a reasonable price level I am convinced that we will be able to meet all our obligations without undue strain.

Under such circumstances the sound and practical policy appears to be to do our utmost to expedite the processes of business recovery and to facilitate those economic trends which will make for a lightening of interest charges. I have already discussed the question of raising the price level which automatically serves to reduce the real burden of debt. A second factor which works both directly and indirectly is the gradual lowering of interest rates. This process we have also been endeavouring to foster by every legitimate means. A year ago I had occasion to refer to the efforts being made to secure a lowering of the interest rate paid on savings deposits by banks, trust companies and other institutions. As you are aware, these efforts led to a one-half per cent reduction in the deposit rate which was followed immediately by a corresponding reduction in the rates charged by banks to public bodies and to agricultural borrowers. It also contributed to strength in our investment markets. Because the savings deposit rate is the basic element in our whole interest structure, it is to be hoped that our financial institutions can see their way clear to make another similar reduction which I am sure would have an important stimulating influence at this time. The London loan which we floated so successfully last August was intended in part to relieve our own investment market and thus make it possible for other public and private borrowers to secure funds at more favourable rates. The continuance of our domestic conversion program to which I shall refer later and the strenuous efforts which we have made and are making to balance our budget and thereby justify a high credit basis, have also contributed to a lowering of interest rates.

The striking success of these concerted efforts are perhaps not fully appreciated by the Canadian public. It seems to me highly significant that the 4 per cent twelve-year bonds which we offered for public subscription last October at 96½ to yield 4·38 per cent are now selling at approximately 101¾ or on a yield basis of 3·77 per cent. It is too much to expect that we are within sight of a 3½ per cent basis for the dominion's medium or long term obligations? And if so, will not the attainment of that objective be a convincing demonstration of the wisdom of the policies which we have followed?

I may also refer to the improvement in the short-term money market. In March last we initiated a new development by offering for public tender $15,000,000 of short term treasury bills. Those bill were sold on a 2·85 per cent basis for the three months' maturity and a 3·12 per cent basis for the eight months' maturity, the lowest rates at which the dominion has ever borrowed in this country. I may add that yesterday, after this statement was prepared, we concluded

acceptances of offerings for treasury bills to the extent of $15,000,000. Of that amount we borrowed $1,600,000 of the July 1 maturity at a cost of 2·41 per cent, and $13,400,000, being the balance, of the October maturity, at the rate of 2·71 per cent. We hope to continue this practice for our short-term requirements and, particularly when the Bank of Canada is established we anticipate marked improvement in the organization and development of our short-term money market and a more efficient utilization of the funds available therein.

The figures I have given refer to rates at which recent borrowing has been effected or at which our outstanding obligations are currently selling. If we take the interest now being paid on all our direct indebtedness at present outstanding, we find that the average is 4·62 per cent. Eliminating the victory bonds which will mature on November 1 this year and will be converted at I believe a substantially reduced rate during the next few months, eliminating also the 5 and 5½ per cent tax-free issues which will not mature until 1937, and assuming that these war-time issues are replaced by 4 per cent securities (a very modest assumption), this average would be reduced to 4·35 per cent. Even this fairly satisfactory rate will I believe be further reduced during the next few years. That appreciable relief is being obtained through refunding operations is illustrated by the fact that in 1931, before the conversion loan was issued, the average interest paid by the dominion on its outstanding funded debt was practically 5 per cent.

The strength of our investment markets is reflected not only in the rise of bond prices, or which is the same thing, the lowering of interest rates, but also in the volume of new securities purchased by the public. During the last calendar year $345,000,000 of long-term obligations were absorbed by Canadian investors. Of this total $157,000,000 represented new capital. This compares with a total of new bond issues in the United States of only $900,000,000 of which $595,000,000 were for new capital. During the first quarter of this year our investment market has been active and strong. Over $73,000,000 of new government and municipal issues were offered during this period, or nearly four times the amount for the corresponding quarter of 1933. These healthy market conditions are full of promise for the gradual reduction of the interest burden now pressing upon public bodies, by the normal process of converting high-interest-bearing securities into new issues with a lower coupon.

[Mr. Rhodes.]

The statistical presentation of improved conditions in Canada carries greater reassurance when viewed in the light of world economic conditions. For recovery has not been a development unique with us. It has been world wide and its universal character suggests that it must have a basis more fundamental and probably more permanent than would otherwise be the case. It is now clear that in several countries it began as early as the summer of 1932, in the United Kingdom perhaps even earlier, and that in practically all countries the improvement last year was substantial. Though the rate of progress has varied and in some cases the gains have been more consistently held than in others, the movement is so world-wide and generally so similar as to suggest the automatic working of fundamental economic forces.

Although encouraging progress has been made towards world recovery, it would be a mistake to under-estimate the difficulties that have still to be overcome before a full measure of world prosperity can be restored. Unemployment still persists in all countries in distressingly large proportions. International trade remains at a low level. Little, if any, progress has been made in removing the excessive interferences with trade, the arbitrary quotas, the exchange controls, and the other defensive measures which have been devised to meet the dangers of currency depreciation and unfavourable balances of payments. In recent months there has indeed been increased stability in the foreign exchange markets but the integrity of certain currencies continues to hang upon a slender thread. Another period of currency unsettlement with the threat of competitive depreciation must be recognized as a possibility at least and this suggests the desirability of a renewed consideration of the feasibility of concerted effort for de facto stabilization of currencies by the leading countries. I am aware of the difficulties which surround the problem which the world conference found it impossible to solve last summer. But some of these difficulties have been lessened in the intervening months and the need for early action is emphasized when one realizes that little progress can be made in reducing restrictions on international trade as long as currencies continue to fluctuate and the danger of competitive depreciation persists.

On the debit side of the record for the past year we are also compelled to record certain unfavourable political developments—a serious aggravation of political tensions in Europe and the Far East, an increasingly

unstable social equilibrium in some important countries, a succession of disappointments in the disarmament negotiations, and a threatened breakdown of the collective system which has been painstakingly built up during the post-war years. It is true that the tension is less serious to-day than it was at the beginning of the year but it remains a deterrent to constructive international cooperation.

As long as these adverse influences continue to operate they must be taken into the reckoning. The fact remains, however, that the low point in the long depression has been reached and passed, that considerable progress has already been made in this and other countries in the restoration of normal conditions, and that present economic trends are in the direction of further progress. This should give solid ground for confidence, if not for undue optimism.

TRADE OF CANADA

Evidence of improving conditions is also found in the statistics of external trade. The declines that have been a feature of world trade in recent years have now, for Canada, been changed to increases, substantial for exports and not inconsiderable for imports. In the twelve months' period ended March 31, last, exports of Canadian produce increased by $105,500,000, or 22 per cent over the same period in the previous year. Imports, advancing less rapidly at first but showing greater gains in recent months, increased by $27,300,000, or 7 per cent. The improvement in aggregate trade was $132,300,000 over the same period last year, or 15 per cent, the total exceeding one billion dollars. The improvement has been on an ascending scale since July and in the last three months imports have increased by 40 per cent and exports by 50 per cent over the same period last year. The preliminary figures for the month of March, which will be released in the course of a few days, show total imports of $47,500,000, an increase of 45 per cent over March of last year. Exports are shown at $58,300,000, which is a gain of 56 per cent.

A statement of the total trade for the fiscal year ended March 31, with comparative figures, follows:

Trade of Canada
(excluding gold coin and bullion)
(000 omitted)

	Fiscal year ended March 31, 1933	Fiscal year ended March 31, 1934 (preliminary)	Increase
Imports	$ 406,384	$ 433,779	$ 27,395
Exports—			
Canadian produce	473,800	579,368	105,568
Foreign produce	6,914	6,312	602*
Total	$ 887,098	$1,019,459	$ 132,361

* Decrease.

As exports have advanced, taking the period as a whole, more rapidly than imports, the result is that in the fiscal year ended March 31, the excess of exports over imports amounted to nearly $152,000,000. In other words, Canada has derived from the exchange of commodities with the world at large, a credit balance of $152,000,000, available in the settlement of international balances for such debit items as interest on indebtedness owing abroad and instalments of principal. The favourable balance derived from trade in commodities was double the amount in the previous period.

It should be borne in mind that trade figures are for merchandise only and do not include gold. The exports of non-monetary gold, chiefly the current production of Canadian gold mines, amounted approximately to $90,000,000, based upon the average price obtained upon sale in world markets. This sum is an additional credit in the settlement of international payments.

The following statement shows the balance of trade in merchandise for the past five fiscal years:

Trade of Canada
(excluding gold coin and bullion)
(000 omitted)

Fiscal year ended March 31st	Imports	Exports	Balance
1930	$1,248,274	$1,144,938	(−) $103,336
1931	906,613	817,028	(−) 89,585
1932	578,504	587,566	(+) 9,062
1933	406,384	480,714	(+) 74,330
1934*	433,779	585,680	(+) 151,901

*Preliminary.

The beneficial effects of the empire trade agreements are shown in the expansion of intra-empire trade. In the eleven months' period ended February 28th, the latest date for which figures by countries are available, exports from Canada to the United Kingdom, our largest market, increased by 20 per cent, accounting for more than half of the increased sales abroad. Exports to Australia increased by 54 per cent; to British India by 45 per cent; to British South Africa by 72 per cent and to New Zealand by six per cent. Statistics of the United Kingdom show that whereas in 1931 imports from Canada represented 3·8 per cent of their total purchases from abroad, in 1933 Canadian products represented 6·9 per cent of the total. Prominent among the commodities showing increased exports to the United Kingdom, were planks and boards, apples, meats, copper and other metals, and cattle.

Imports from the United Kingdom have shown an expansion in the eleven months' period of approximately $16,000,000, or 20 per cent. The chief increases were in fibres, textiles and textile products, in iron and its products and coal.

The stimulus which the expansion of trade has brought to Canadian business is illustrated in the renewed activity reported in recent months at our maritime ports. Both freight received from and delivered to connections abroad have shown increases which are very marked and which, in turn, have produced substantial employment at the ports, as well as increased freight for the railways.

Figures showing the expansion of trade within the empire are as follows:

Intra-Empire Trade of Canada

(Excluding gold coin and bullion)

	Eleven months ended February 28, 1933	Eleven months ended February 28, 1934
Imports from United Kingdom	$ 79,356,647	$ 95,277,635
Exports to United Kingdom	170,195,271	204,747,312
Imports from British Empire	109,229,815	127,293,776
Exports to British Empire	204,773,851	248,667,773

About one-third of our purchases abroad has been from empire countries. The proportion in 1929 was about one-fifth. The percentage of exports to empire countries showed a further gain, while the proportion taken by non-empire countries declined moderately. It is noteworthy that a somewhat larger proportion of exports was taken by the United States.

A statement showing the distribution of import and export trade, excluding gold coin and bullion, by percentages, follows:

	Imports Eleven months ended February 28		Exports Eleven months ended February 28	
	1933	1934	1933	1934
	Per cent		Per cent	
United Kingdom	21.25	24.67	38.93	39.25
British Empire	29.25	32.95	46.83	47.66
United States	57.32	54.14	30.37	33.40
Other countries	13.43	12.91	22.80	18.94

These developments in our external trade have been distinctly favourable, reflecting the soundness of the policies which have been pursued in connection with the trade agreements, and testifying to the stability and efficiency of Canadian industry.

Revenues 1933-34

The recovery of business in Canada which I have described was reflected in expanding revenues. Unfortunately, however, this expansion did not begin until the second quarter of the fiscal year. While the extreme low point in business activity was reached in February, business continued without noticeable improvement until May. It was not, indeed, until June that the index of physical production in Canada exceeded the figure for the corresponding month of the previous year. There is also always a lag of one or two months between business improvement and the increase in government revenues. In the case of the sales tax, for instance, the taxes applicable to any given month are not received by the Department of Finance until the first few days of the second following month. As a result, the first quarter of the fiscal year showed a substantial loss as compared with the corresponding period of the previous year. By July 8th our collections were down by $16,600,000, despite the additional measures of taxation which were introduced in the last

budget. The acceleration of business and the upward movement of prices in the latter part of the year reversed this downward trend. By the end of December the lost ground had been fully recovered and the final accounts will show a total revenue from taxation of some $17,500,000 in excess of the previous year.

The total receipts from taxation were $271,800,000 as compared with $254,300,000 in 1932-33. The budget estimates, after giving effect to the new taxation, anticipated a total tax yield of $305,000,000. The failure to reach the estimated revenue by some $33,000,000 has naturally been disappointing, although we can derive encouragement from the fact that there has been a sustained and gradually increasing improvement in recent months. Had it not been for the low level of business in the first quarter and the lag in revenues—in other words, had we had for a full twelve months' period the revenue volume of the latter part of the year—our expectations would have been fully realized.

Customs

Customs import duties yielded $65,900,000 and remains the largest single source of revenue, although showing a decline from the previous year. Excise duties, levied mainly on liquors and tobaccos, amounted to $35,800,000. The revenue from income tax was $61,400,000, only slightly less than in the preceding year and about the same amount collected in 1931-32. Although based upon lower incomes and profits, the yield from this source has been maintained by reason of the changes in exemptions and rates of taxation, and also as a result of the special tax of 5 per cent on interest and dividends imposed last session. The collections from the latter tax amounted to $4,800,000 in the fiscal year. Here again the receipts did not reach the estimate, due to the elimination of the premium on United States currency.

The sales tax produced $63,000,000 and the other special excise taxes, $43,500,000, these sources combined bringing in $24,300,000 more than in the previous year.

The following table gives a comparative statement of the revenues from taxation in the past five years:

Taxation Revenues
(000 omitted)

—	1929-30	1930-31	1931-32	1932-33	Estimated 1933-34
	$	$	$	$	$
Customs Import Duties	179,430	131,209	104,133	70,073	65,926
Excise Duties	65,036	57,747	48,655	37,834	35,871
War Tax Revenues:					
Banks	1,408	1,429	1,390	1,328	1,345
Insurance companies	74	74	12	826	742
Delayed business profits	173	34	3	–	–
Income Tax	69,021	71,048	61,255	62,067	61,399
Sales Tax	44,859	20,784	41,734	56,814	63,000
Manufacturers', importation, stamp, transportation taxes, etc	18,550	13,951	17,872	25,377	43,574
Total receipts from Taxation	378,551	296,276	275,054	254,319	271,857

Non-Tax Revenues

Revenues derived from the services of the various departments of government, including Post Office, amounted to $51,700,000, showing a decrease from the previous year of about $550,000. Post Office revenues amounting to $30,500,000 and interest on investments of over $11,000,000, are the important items under this head. On reference to the expenditure statement, it will be found that the operation of the Post Office Department cost $30,800,000, being $300,000 in excess of revenues. As the deficiency in the previous year was $700,000, there was a net betterment in the year of about $400,000. Interest on investments was slightly less than in 1932-33.

A statement of the non-tax revenues, with comparisons for the previous four years, follows:

Non-tax Revenues

—	1929-30	1930-31	1931-32	1932-33	Estimated 1933-34
	$	$	$	$	$
Canada Grain Act	2,047,207	2,179,047	1,484,826	1,444,840	1,260,000
Canada Gazette	93,890	71,197	73,590	73,836	56,000
Canals	1,043,647	1,026,671	976,845	831,020	850,000
Casual	3,892,948	3,210,394	3,757,821	3,192,144	3,550,000
Chinese Revenue	14,345	21,996	10,059	8,652	7,000
Dominion Lands	4,139,104	1,655,401	485,364	458,934	408,000
Electricity	546,957	632,151	402,189	298,352	422,000
Fines and Forfeitures	748,343	433,716	233,512	212,075	180,000
Fisheries	110,724	73,937	40,519	4,429	40,000
Gas Inspection	100,763	94,255	81,359	84,078	74,000
Insurance Inspection	138,780	148,942	149,902	160,298	149,000
Interest on Investments	13,518,205	10,421,224	9,330,125	11,220,989	11,205,000
Marine	184,637	199,000	191,905	178,118	195,000
Mariners' Fund	209,322	201,768	184,485	179,461	182,000
Military College	19,820	19,882	20,045	20,116	20,000
Military Pension Revenue	158,881	159,000	163,229	166,414	164,000
Ordnance Lands	30,277	29,384	14,250	16,677	17,000
Patent and Copyright Fees	574,918	559,646	525,248	539,341	409,000
Penitentiaries	181,024	183,288	166,111	121,426	84,000
Post Office	33,345,385	30,212,326	32,234,946	30,928,317	30,553,000
Premium, Discount and Exchange	458,390	501,610	.....	145,938	.....
Public Works	408,151	362,391	280,591	212,829	237,000
Radio Licences	407,762	468,093	528,924	1,414,132	1,290,000
R.C.M.P. Officers' Pensions	6,471	6,357	14,787	12,050	12,000
Superannuation Fund	5	.....	.....	.....	.....
Weights and Measures	407,248	419,750	406,529	394,222	400,000
Total Non-Tax Revenues	62,787,204	53,291,426	51,757,161	52,318,688	51,764,000

After taking into consideration $392,000 of special receipts, the total revenues for the year amounted to $324,000,000, as compared with $311,000,000 in 1932-33, as shown in the following summary statement, which also gives comparisons for each year since 1929-30:

Summary of all Revenues
(000 omitted)

—	1929-30	1930-31	1931-32	1932-33	Estimated 1933-34
	$	$	$	$	$
Receipts from Taxation	378,551	296,276	275,054	254,319	271,857
Non-Tax Revenues	62,787	53,291	51,757	52,318	51,764
Consolidated Fund Receipts	441,338	349,567	326,811	306,637	323,621
Special Receipts	4,771	6,622	7,028	4,493	392
Grand Total	446,109	356,189	333,839	311,130	324,013

EXPENDITURES, 1933-34

Ordinary Expenditures

The ordinary expenditures for the year amounted to $347,700,000. It will be understood that as the accounts will not be finally closed until the end of April, the figures of expenditures are preliminary and may vary somewhat from the final amounts. The estimates for 1933-34, including supplementaries and statutory items not printed in the estimates, provided for a total expenditure on ordinary account of $363,700,000. The actual expenditures, therefore, are $16,000,000 less than the amount estimated.

In comparison with the previous year, ordinary expenditures show a reduction of $2,100,000. This result must be considered, however, in the light of the fact that increased expenditures were necessary on certain fixed and uncontrollable obligations. Interest on public debt increased by $4,700,000 and

the requirement for Old Age Pensions increased by $1,000,000. Other large expenditures, over and above those of the previous year, included $1,000,000 for the Radio Commission and an increase of $1,500,000 in the amount of the subventions paid on movements of Canadian coal from the mines to centres of consumption.

A statement of ordinary expenditures for the last five fiscal years, follows:

Statement by Departments of Expenditure for the Last Five Fiscal Years
(000 omitted)

Ordinary Account	1929-30	1930-31	1931-32	1932-33	Estimated 1933-34
	$	$	$	$	$
Agriculture	10,245	10,119	10,212	8,066	7,025
Auditor General's Office	402	416	436	380	376
Civil Service Commission	308	343	306	244	221
External Affairs, including Office of the Prime Minister	897	928	994	863	977
Finance—					
Interest on Public Debt	121,566	121,290	121,151	134,999	139,730
Premium Discount and Exchange (Net)	.....	.....	728	.....	75
Subsidies to Provinces	12,497	17,436	13,695	13,677	13,727
Special Grants to Maritime Provinces	1,600	1,600	1,600	1,600	1,600
Other Grants and Contributions	837	778	536	499	398
Imperial Economic Conference	.....	.....	.....	252	.....
Civil Pensions and Superannuations	1,545	1,476	1,405	1,075	1,302
General Expenditure	2,006	1,794	1,845	1,794	3,159
Fisheries	2,426	2,435	2,046	1,787	1,593
Governor General's Secretary's Office	170	142	148	136	137
Immigration and Colonization	3,094	2,588	2,200	1,689	1,393
Indian Affairs	5,333	6,069	5,081	4,499	4,372
Insurance	159	178	180	161	152
Interior	8,490	8,104	4,647	3,454	2,874
Justice	2,591	2,538	2,560	2,458	2,452
Penitentiaries	2,561	3,237	2,737	2,870	2,748
Labour	697	797	633	605	558
Technical Education	413	391	283	202	150
Old Age Pensions	1,537	5,658	10,032	11,513	12,500
Legislation—					
House of Commons	1,610	1,721	1,982	2,210	1,007
Library of Parliament	74	76	81	65	69
Senate	529	568	650	747	286
General	80	65	79	81	44
Chief Electoral Officer, including Elections	46	2,256	145	56	31
Marine	8,944	8,030	7,262	5,801	5,535
Canadian Radio Broadcasting Commission	.....	.....	.....	149	1,025
Mines and Geological Survey	1,358	1,420	1,264	1,048	940
Movements of coal and Dominion Fuel Act	56	514	721	1,220	2,750
National Defence—					
Militia service	11,033	10,953	9,700	8,719	8,843
Naval service	3,013	3,598	3,043	2,167	2,222
Air service	5,921	7,147	4,040	1,731	1,689
Sundry services	1,925	1,928	1,347	1,078	798
National Revenue (including Income Tax)	13,844	13,972	13,920	10,846	10,336
Pensions and National Health—					
Treatment and after-care of returned soldiers	8,494	9,774	11,154	10,066	9,517
Pension, war and military	40,032	45,541	48,249	45,079	42,867
Health Division	1,390	1,342	1,246	924	783
Post Office	36,557	37,892	36,052	31,607	30,801
Privy Council	58	54	53	47	49
Public Archives	203	212	212	174	158
Public Printing and Stationery	302	295	289	231	174
Public Works	19,819	25,453	17,648	13,108	11,141
Railways and Canals	4,122	4,479	3,997	3,667	3,376
Maritime Freight Rates Act	3,093	3,615	2,555	1,921	1,989
Royal Canadian Mounted Police	3,100	3,192	3,488	5,626	5,550
Secretary of State	454	479	483	418	378
Soldier Settlement Board	1,362	1,300	1,036	818	741
Trade and Commerce—					
Department	3,252	4,955	6,417	3,277	3,083
Mail subsidies and steamship subventions	1,083	1,323	2,999	2,081	2,235
Canada Grain Act	2,271	2,356	2,306	2,026	1,766
Total ordinary expenditure	353,399	382,827	365,873	349,811	347,702

Capital Expenditures

Capital expenditures, including Hudson Bay railway and terminals, Welland ship canal, St. Lawrence ship channel, and other public works, amounted to $6,500,000, being a decrease of $2,000,000. The estimates provided for an expenditure of $7,100,000 on capital account. The saving, therefore, was $600,000.

A comparative statement of capital expenditures for the five-year period, follows:

Capital Expenditures
(000 omitted)

—	1929-30	1930-31	1931-32	1932-33	Estimated 1933-34
	$	$	$	$	$
Canals	9,324	9,842	3,299	3,027	1,987
Railways	6,663	6,371	6,242	1,503	767
Public Works	6,574	12,009	7,439	4,018	3,816
Total Capital Expenditure	22,561	28,222	16,980	8,548	6,570

Special Expenditures

Special expenditures amounted to $42,900,000, slightly under the figure of a year ago. Included in this amount is $36,000,000 for relief measures. Of this sum $28,500,000 was paid under the Relief Act, 1933, and the balance of $7,500,000 represented commitments carried over from the relief acts of previous years. The expenditure for 1933-34 may be summarized as follows:

Direct relief	$ 25,870,000
Provincial and municipal works and undertakings	2,780,000
Other expenditures, including Dominion projects	7,350,000
	$ 36,000,000

The expenditures made by the dominion on unemployment relief since 1930, have now reached $115,500,000, to which may be added the cost of the wheat bonus in 1931, amounting to $12,700,000 and $2,400,000 advanced for employment in railway shops, a total of $130,600,000.

A comparative statement showing special expenditures under the different heads during the past five years, follows:

Special Expenditures
(000 omitted)

—	1929-30	1930-31	1931-32	1932-33	Estimated 1933-34
	$	$	$	$	$
Adjustment of War Claims	95	110	91	55	56
Cost of Loan Flotations	17	193	1,350	1,639	2,545
Miscellaneous Charges	3,027	2,955	3,500	2,951	2,503
Reparations—					
Claims for Compensation	6,700	500	1,331	188	.....
Unemployment Relief, 1930	.....	4,432	13,190	548	5
Unemployment Relief, 1931	.....	.....	25,106	17,048	564
Unemployment Relief, 1932	.....	.....	.....	19,125	6,875
Unemployment Relief, 1933	.....	.....	.....	.....	28,556
Wheat Bonus	.....	.....	10,908	1,811	.....
Reduction of Loans to Soldier Settlers	.....	8,599	.....	.....	1,800
Total Special Expenditures	9,839	16,789	55,476	43,365	42,904

Loans to Provinces

Loans were made to the provincial governments under the Relief Act, to a net amount of $12,540,000 after crediting certain repayments. This addition to the loans of $38,200,000 outstanding at the close of the previous fiscal year, brings the total assistance of this nature to the provincial governments, to $50,700,000.

Three provinces, Alberta, Manitoba and British Columbia, received loans in connection with the payment of debt obligations to the public. Alberta borrowed $1,968,000 to meet a debenture maturity of the 1st April, 1934, payable in Canada or New York. Manitoba secured $1,470,000 to meet an obligation due the same date, also payable in Canada or New York. British Columbia received loans of $1,435,000 to meet interest obligations. The other loans related to the financing of the provincial share of relief expenditures or were for the purpose of placing the provinces in funds to assist municipalities to finance their share.

The provinces have paid interest on the loans as payments became due, with the exception of certain loans made to the province of Saskatchewan for relief purposes. This province has not been able to meet the interest from its own resources and has tendered treasury bills in payment.

At the Dominion-Provincial conference held in January last, which was attended by representatives of all the provinces, it was unanimously agreed that the dominion government should give special financial assistance to provinces where conditions warrant.

In granting these loans, our policy has been, as in the two previous years, to limit this form of assistance to the minimum. Each application has been considered having regard to the special situation prevailing, the particular purpose of the loan and the general budgetary position of the borrower on the ordinary services of government. It is submitted that the policy which has been pursued in this respect has been to the general advantage of Canada, considered in the light of the unusual conditions prevailing and as a temporary measure until more normal conditions prevail.

A summary statement showing the loans to the several provinces outstanding at March 31, 1934, and the purposes for which they were granted, follows:

Loans to Provinces under Relief Acts

Net Outstanding March 31, 1934

(000 omitted)

—	Loans covering obligations maturing in New York	Loans for assistance to farmers, including purchase of seed grain	Loans for provincial purposes including public works and direct relief	Total
	$	$	$	$
Manitoba	4,603	304	5,179	10,086
Saskatchewan	3,934	4,893	14,728	23,555
Alberta	5,111	140	4,800	10,051
British Columbia	1,372	.....	5,676	7,048
	15,020	5,337	30,383	50,740

Loans and Advances, Non-Active

Under this head are included amounts paid by way of loan which are treated as non-active and which, being non-interest producing, are considered in the accounts as additions to the net debt. They include the amounts paid in connection with the operation of the Canadian National Steamships, the deficit of the Montreal harbour bridge, and loans to a number of the harbour commissions. The net amount of such loans in the past year was slightly over three million dollars.

For the operation of the Canadian National Steamships, we paid $986,000, made up of $968,000 being the cash deficit on the West Indies Services, and $18,000 being the cash deficit on the operation of the ships remaining in the Merchant Marine fleet. Owing to further reductions in the number of ships operated, the Canadian Government Merchant Marine has found it possible to return to the government an additional one million dollars from the insurance fund which has been accumulated during the operations of the company

since 1919. After receiving this amount, the result is a credit of $14,000 for the year on account of Canadian National Steamships.

The amount paid by the dominion government for the operation of the Montreal harbour bridge was $489,000. This represents the loss incurred by the bridge, not including depreciation and after crediting the annual contribution of $150,000 each from the province of Quebec and city of Montreal.

The non-active loans to the harbour commissions at Chicoutimi, Halifax, Quebec, Saint John and Three Rivers for expenditures on capital account, amounted to $1,600,000. Other capital expenditures were incurred by several of the Commissions during the year, special arrangements for financing having been made between the commissions concerned and the contractors, with the approval of the governor in council.

The following statement gives the record of non-active loans and advances for the past five fiscal years:

Loans and Advances, Non-active

(000 omitted)

—	1929-30	1930-31	1931-32	1932-33	Estimated 1933-34
	$	$	$	$	$
Loans to Can. National Railways	2,933	.....	.....	.....	.....
Loans to Can. National Steamships	2,491	1,827	1,199	(cr.) 1,383	(cr.) 14
Loans to Harbour Commissioners	2,821	3,661	1,913	4,898	2,110
Miscellaneous Non-Active Accounts	17	.....	.....	.....	.....
Can. Pacific Railway (Relief Acts)	.....	.....	.....	1,447	1,000
Accounts carried as Active Assets transferred to Non-Active	.....	.....	.....	*62,938	.....
	8,262	5,488	3,112	67,900	3,096

*Canadian National Railways—Loans of 1931-32 ..... $ 41,121
Sundry Harbour Commissions—Advances prior to 1932-33 21,817

In addition to the non-active loans to harbour commissions, there were loans of $449,000 to the Montreal commission and $1,208,000 to the Vancouver commission for port developments, and the amount of $19,000 to New Westminster. As interest is received on these loans, they are treated as active assets and are not part of the net debt.

For purposes of record, I include a statement of the advances to harbour commissions in the past five years and of the amounts outstanding at the close of the fiscal year.

Advances to Harbour Commissions

(000 omitted)

—	1929-30	1930-31	1931-32	1932-33	Estimated 1933-34
	$	$	$	$	$
Chicoutimi	815	846	465	324	332
Halifax	1,272	3,539	2,752	1,023	151
Montreal	4,336	2,291	1,412	584	449
Montreal—Bridge deficit	.....	170	534	395	489
New Westminster	.....	.....	189	66	19
Quebec	2,821	3,491	1,379	341	107
Saint John	1,711	1,094	5,764	2,654	924
Three Rivers	136	1,544	747	160	107
Vancouver	345	2,802	809	.....	1,208
	11,436	15,777	14,051	5,547	3,786

Advances to Date

Chicoutimi	$ 3,282
Halifax	8,768
Montreal	58,422
Montreal—Bridge Deficit	1,588
New Westminster	275
Quebec	26,257
Saint John	12,748
Three Rivers	2,694
Vancouver	22,625
	$ 136,659

Canadian Farm Loan Board

The dominion continued to purchase at par the board's five per cent bonds to the extent that loaning operations required. Bonds purchased amounted to $400,000 and a subscription of $16,243 was made to capital stock. The capital furnished to date from the dominion treasury for the operations of the board aggregates $8,503,358, divided as follows:

Initial capital	$5,050,000
Purchase of bonds	3,000,000
Purchase of capital stock	453,358
	$8,503,358

The board has paid all interest due the government as it accrued.

Canadian National Railways

As the annual report of the trustees of the Canadain National Railway system has shown, railway operating revenues suffered a further decline of $12,500,000, or nearly 8 per cent, in the calendar year 1933. The loss in revenues was almost entirely covered by a saving in operating expenses. However, as the management had made its budget for the year on the basis of the gross earnings of the previous year being substantially maintained, the amount required from the dominion government for the payment of deficits exceeded the estimated figure by $4,300,000. The amount provided by the government and taken into the public accounts as an expenditure in respect of the deficit on the Canadian National Railway system, after payment of interest on obligations in the hands of the public was $58,950,000, a decrease of $1,100,000 from the previous year. The net loss of the system as shown by their accounts, amounted to $97,650,000. The difference between this sum and the contribution of the government above referred to, is made up of $36,000,000 for interest on loans from the government—such interest being accrued in the railway accounts but not actually paid —and $2,600,000 for certain other non-cash items.

The amount paid for deficits is made up of two parts: that for the system, excluding eastern lines, $52,200,000, and that for the eastern lines, $6,600,000. In the dominion accounts of previous years and in the budget statements, it has been the practice to include the loss on the eastern lines under ordinary expenditures. That practice has followed naturally from the days when the government's interest in railway operation was limited to the Intercolonial and other lines known as the Canadian government railways. Last year for the first time, following the recommendation of the Royal Commission on Railways and Transportation, the whole railway deficit was taken into the accounts of the dominion as an expenditure, but the portion for the eastern lines was shown under ordinary expenditures and the portion for the rest of the system was shown as a special charge to consolidated fund. For the purpose of clarity in the presentation of the figures, the amount for eastern lines deficit has been excluded this year from ordinary expenditures, and the necessary adjustments have been made in the figures for the previous years in order that the comparisons may not be disturbed. The amount required for railway deficit, including eastern lines, will be found in the summary statement of expenditures under the special category of railway deficits.

There has, of course, been retained under ordinary expenditures the amount involved in the 20 per cent freight rate subsidy authorized by the Maritime Freight Rates Act.

In addition to the provision for deficits, the railway company required $1,900,000 for capital expenditures and $11,300,000 for retirement of debt, these items totalling $13,200,000. Against this sum, the company had $5,000,000

of working capital available, leaving $8,200,000 to be supplied by the government by way of loan. Notwithstanding that the operating results were less favourable than anticipated at the commencement of the year, the company kept within its budget, the additional amount required for deficits having been made up by a saving in capital expenditures.

As at the end of March, 1934, the debt of the Canadian National Railway system outstanding in the hands of the public amounted to $1,253,000,000, having been reduced by $10,000,000 in the past year. Of the amount outstanding, $962,000,000 are obligations guaranteed by the dominion.

During the first three months of the present calendar year, there has been a decided improvement in railway earnings and the net revenues from operations are some $4,000,000 in excess of those of the corresponding period in 1933. The railway budget for 1934 will total $85,800,000. Of this amount, $48,800,000 is the estimated requirement for deficits, and if this result is attained it will mean a lessening of the burden on the dominion treasury as compared with last year, of over $10,000,000. The company will require $4,200,000 for capital expenditures and $32,800,000 for retirement of capital obligations, including sinking fund and equipment principal payments. On September 1, $17,000,000 of Canadian Northern dominion guaranteed 4 per cent debenture stock will fall due.

The following statement summarizes the financial requirements of the Canadian National Railway system in respect of the calendar year 1933, as compared with their budget figures and with the actual requirements in 1932:

Canadian National Railways

Financial Requirements

—	Actual 1933	Budget 1933	Actual 1932
Deficit:—	$	$	$
System (ex eastern lines)	52,263,819	47,941,395	53,422,661
Eastern lines	6,691,569	6,611,000	6,635,845
	58,955,388	54,552,395	60,058,506
Capital expenditures	1,958,116	5,993,121	799,158
Debt retirement	11,269,985	12,265,584	11,510,178
	72,183,489	72,811,100	72,367,842
Less working capital available	5,000,000	5,200,100	4,231,997
Amount required	67,183,489	67,611,000	68,135,845

Summary of Expenditures

Having dealt with the expenditures for the year under the appropriate headings, it is now possible to present a summary statement of all expenditures for the year, including railway deficits. The total amount is $459,200,000 as compared with $468,726,000 in the previous year, a net reduction of $9,500,000. Actually the statement shows a total expenditure last year of $531,700,000, but it will be remembered that $62,938,000 of this amount represented loans made in previous years to harbour commissions and the Canadian National Railways which were written down from active to non-active assets, and strictly are not assessable against last year's business.

The summary of expenditures for the past five years followed:

Summary of Expenditures
(000 omitted)

—	1929-30	1930-31	1931-32	1932-33	Estimated 1933-34
	$	$	$	$	$
Ordinary expenditures	353,399	382,827	365,873	349,811	347,702
Capital expenditures	22,561	28,222	16,980	8,548	6,570
Special expenditures	9,839	16,789	55,476	43,365	42,904
Loans and advances—non-active	8,262	5,488	3,112	67,900	3,096
Can. Nat. Railway deficit:—					
System ex. eastern lines*	.....	.....	.....	53,423	52,264
Eastern lines	4,308	6,712	6,632	8,717	6,692
	398,369	440,038	448,073	531,764	459,228

*Corresponding figures for operations in the years 1929, 1930 and 1931 were $9,978,000, $28,425,000 and $52,256,000 respectively. In respect of these losses, $2,932,000 was taken into the government accounts as non-active loans in 1929-30, representing the 1929 loss after crediting certain surpluses in previous years. The losses in 1930 and 1931 were financed by loans and/or guarantee of securities. Government loans of $41,121,000 in respect of 1931 operations appear in the above statement under Loans and Advances, Non-Active, for the year 1932-33.

Deficit for Year

With ordinary expenditures of $347,700,000 and ordinary revenues amounting to $323,600,000, it will be seen that the deficiency on ordinary account was $24,100,000. The comparative figure for the previous fiscal year was $43,200,000. Notwithstanding the failure of the revenues to reach the anticipated figure, it will be observed that on ordinary account a net improvement of $19,100,000 took place.

After taking into consideration capital expenditures and special expenditures, including unemployment relief, less special receipts, it will be found that the deficit for the year on government operations, amounted to $76,300,000. This figure is further enlarged when there are taken into the government accounts the losses on operation of the Canadian National Railway system amounting to $58,900,000. The resulting increase in net debt during the year on all accounts is $135,200,000. The corresponding figure for the previous year was $157,700,000, indicating a betterment of $22,500,000.

Reductions in Expenditures

In view of the interest in the question of the cost of government generally in Canada, it may be appropriate to present some figures briefly analyzing the purposes to which the outlay of the dominion government is applied, and indicating the extent to which, by the various measures of economy which have been adopted, controllable expenditures have been reduced since 1930-31. For the purpose of these comparisons, the extraordinary and fluctuating amounts required for railway deficits and unemployment relief, are excluded from the figures, but all other expenditures of the government are included.

In the year which has just closed, such expenditures totalled $364,000,000. Of this amount, $230,000,000 was required for purposes classed as uncontrollable and $134,000,000 for controllable. In other words, out of every $100 expended $63 went for expenses designated as uncontrollable and $37 for services that are ordinarily regarded as controllable. The main services under uncontrollable are interest on public debt amounting to $139,700,000; war pensions, $41,700,000 and treatment and after-care of returned soldiers, $9,500,000. These three items alone account for 83 per cent of the expenditure included under the category of uncontrollable. There are, in addition provincial subsidies, $15,300,000; old age pensions, $12,500,000, and some minor items which do not add greatly to the total. All other expenditures whether on ordinary or special account, or capital or non-active loans and advances, are included for the purpose of these computations under the heading of controllable.

I should point out that there are included in the latter classification many items of a statutory nature which are not controllable, in the sense of being subject to reduction at the will of the government but they are included in that category because they pertain to the ordinary services of government. I might cite, for example, dry dock subsidies and the similar payments made in connection with the establishment of cold storage warehouses.

As compared with the year 1930-31, the uncontrollable expenditures for 1933-34 were

greater by $19,000,000 due mainly to increased charges for interest on public debt and old age pensions.

The controllable expenditures, however, have declined from $217,000,000 to $134,000,000, a reduction of $83,000,000, or over 38 per cent. After allowing for the election expenses of two million dollars in 1930, for which there was no corresponding charge last year, the improvement stands at $81,000,000. This decrease has been brought about by a curtailment of $50,000,000 in ordinary expenditures and a reduction in capital and other expenditures of $31,000,000. To achieve this result, there has necessarily been a rigid scrutiny and control of departmental activities and personnel. From 1930 to 1933, government employees, including fluctuating as well as permanent staffs, were reduced by over 12,000 in number. The saving in salaries and wages exceeds $10,000,000 a year, not including the saving of some $7,800,000 arising out of the 10 per cent salary deduction.

There is further comparison which may be illuminating. In the fiscal year 1913-14, the ordinary controllable expenses of government amounted to $87,000,000, as compared with $123,000,000 last year. While these figures indicate an increase of $36,000,000, in a period of twenty years' growth and development of the country, there are important adjustments to be made to bring them to a comparable basis.

Of the increase of $36,000,000, over $17,000,000 is applicable to the Post Office department, the services of which have necessarily expanded in twenty years. The increased expenditure has been compensated for by a corresponding addition to the revenues and is not a contributing factor to the deficit of the government. Eliminating post office expenditures, the comparable figures become $73,000,000 for 1913-14, as compared with $93,000,000 in 1933-34, an increase of $20,000,000. In the interval, the population of Canada has increased from 7,600,000 to 10,300,000. The cost of maintaining public services has necessarily been influenced by the growth in population, as well as the addition of new services. Yet the actual expenditures to-day on the ordinary controllable services of government are less than they were in 1913-14 considered on a per capita basis. The figures are at $9.60 a head in 1913-14, as compared with $9.03 last year.

In appraising this result, note should be taken of the cost of new services added in the interval. It now costs $5,000,000 more annually to collect the public revenues than in 1913-14, due to the amplification of the taxation system. While the percentage cost of collection is lower, the actual expenditure has naturally been increased. The cost of administering the public debt is included under controllable expenditures and requires about $500,000 more than in 1913-14. Other new items are $1,000,000 for the Radio Commission, $320,000 for radio services, $1,600,000 for the Aviation Branch of the Department of National Defence, $380,000 for National Research Council and $2,750,000 for the movement of Canadian-mined coal. These items alone total $11,000,000. There are other items, such as the cost of operation of the new Welland ship canal, increased expenditures in connection with the grain act, amounting to some $1,300,000, and other expenses such as those arising from improvements in the status of labour, workmen's compensation and the eight-hour day, which have added, and quite properly so, to the cost of certain services.

Viewed in the light of these comparisons with the expenditures of 1913-14, and not desiring to minimize the necessity for the closest scrutiny of the cost of governmental services, particularly in view of the weight of our fixed charges, it does appear that the controllable expenditures have now been reduced to a point from which it will be difficult to effect further substantial savings without curtailment or discontinuance of services which are considered to be essential.

A comparison of the expenditures in the years 1913-14, 1930-31 and 1933-34, divided under the headings controllable and uncontrollable, is shown in the following statement, which also shows the percentages of the total required for the various services.

Expenditure, Uncontrollable and Controllable

(000 omitted)

—	1913-14		1930-31		1933-34	
	Actual expenditure	Percentage of total expenditure	Actual expenditure	Percentage of total expenditure	Estimated expenditure	Percentage of total expenditure estimated
	$		$		$	
In General Uncontrollable—						
Interest on public debt	12,894	9·36	121,290	28·28	139,730	38·36
European war pensions	.....	.....	44,234	10·31	41,777	11·47
Old age pensions	.....	.....	5,658	1·33	12,500	3·43
Other pensions and superannuation	756	0·55	5,037	1·16	4,561	1·25
Care of returned soldiers	.....	.....	9,774	2·28	9,517	2·61
Subsidies to provinces	11,280	8·19	19,036	4·44	15,327	4·21
Other items	3,101	2·25	6,657	1·56	7,076	1·94
	28,031	20·35	211,686	49·36	230,488	63·27
Controllable—						
Ordinary—						
Agriculture	3,271	2·37	10,119	2·36	7,025	1·93
Fisheries	1,655	1·20	2,275	0·53	1,433	0·39
Indian Affairs	2,120	1·54	5,847	1·36	4,139	1·14
Interior	5,132	3·73	8,104	1·89	2,874	0·79
Justice—including penitentiaries	2,469	1·79	5,775	1·35	5,200	1·43
Marine—including radio commission	4,915	3·57	8,030	1·87	6,560	1·80
Mines—including movements of coal	741	0·54	1,934	0·45	3,690	1·01
National Defence	12,011	8·72	23,626	5·51	13,552	3·72
National Revenue	5,124	3·72	13,972	3·26	10,336	2·84
Post Office	13,566	9·85	37,892	8·83	30,801	8·45
Public Works	20,288	14·73	25,453	5·94	11,141	3·06
Railways and Canals	2,279	1·65	4,043	0·94	3,189	0·88
Royal Canadian Mounted Police	1,101	0·80	3,005	0·70	5,367	1·47
Trade and Commerce	5,323	3·87	8,407	1·96	6,964	1·91
Other services	7,009	5·09	16,723	3·90	11,241	3·09
	87,004	63·17	175,205	40·85	123,512	33·91
Capital—						
Railways	7,103	5·16	9,842	2·29	1,987	0·54
Canals	2,847	2·07	6,371	1·49	767	0·21
Public Works	10,100	7·33	12,009	2·80	3,816	1·05
	20,050	14·56	28,222	6·58	6,570	1·80
Special, including miscellaneous charges	32	0·02	9,456	2·21	2,063	0·57
Loans and advances non-active	2,612	1·90	4,325	1·00	1,639	0·45
Total controllable	109,698	79·65	217,208	50·64	133,784	36·73
Total uncontrollable and controllable	137,729	100·00	428,894	100·00	364,272	100·00
Not included in the above—						
Canadian National Railways—						
Deficit, exclusive of eastern lines	.....	.....	*28,425	.....	52,264	
Eastern lines deficit	.....	.....	6,712	.....	6,692	.....
Unemployment relief	.....	.....	4,432	.....	36,000	.....
Canadian Government Railways—						
Capital and deficit	17,295	.....	.....	.....	.....	.....
Railway subsidies	19,036	.....	.....	.....	.....	.....

* Not taken into Government accounts in 1930-31.

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Loan Flotations

In the past fiscal year, the dominion had securities falling due amounting to $279,900,000. New issues were made for these maturities, as well as for new money which it was required to raise for governmental and railway purposes.

An issue of 4 per cent registered stock dated September 1, 1933, and maturing September 1, 1958, was made in London. The stock is callable on or after September 1, 1953, on giving three months' notice. The issue was offered to the public at 100, yielding 4 per cent. As the dominion had not been a borrower in the London money market for some eighteen years, the response of the investing public was awaited with keen expectation. The issue was an outstanding success, the applications totalling 20,000, representing over £80,000,000. The success of the offering was a tribute to the financial and economic stability of Canada and reacted most favourably on the market position of dominion securities at home and abroad. The stock has risen to a premium and is now selling on a basis to yield less than 3½ per cent. The terms of the issue provided for a sinking fund of one-half of one per cent per annum.

An issue of 4 per cent treasury notes dated July 1, 1933, was made in New York for the purpose of refinancing a like amount of 4 per cent notes due October 1 and called for payment on August 1. The new issue runs for 15 months from July 1, 1933, and is callable on or after 12 months. The issue was sold to the Chase National Bank of New York at a price of 98·875 and accrued interest.

An issue of $50,000,000 of 4½ per cent treasury bills held by the chartered banks of Canada matured August 1, 1933, and provision was made for renewal of this obligation by the issue at par of a similar amount of bills to run for one year, bearing interest at 3⅞ per cent.

Two other issues of treasury bills were made during the year. In May last, $40,000,000 of 3½ per cent treasury bills due in six months were sold to chartered banks at an interest cost to the government of 3¾ per cent. These bills were converted into longer term securities on their maturity in November.

A further sale of treasury bills was made by public tender. The amount of the issue was $15,000,000, dated March 1, 1934, and maturing either June 1, 1934, or November 1, 1934. Of the 3-months' bills $2,450,000 were sold at an average cost to the government of 2·85 per cent and of the 8-months' bills $12,550,000 at an average cost of 3·12 per cent.

On November 1 last, provision had to be made for $169,900,000 of maturing victory loan bonds, the balance remaining outstanding of the 1918 issue. To meet the obligation and provide funds for current purposes, a domestic loan of $225,000,000 was launched. The bonds were dated October 15 and were issued in three maturities: 2-year bonds with interest at 3½ per cent and 6 and 12 year bonds with interest at 4 per cent. The 2-year bonds were offered at 99·50 to yield 3·75 per cent, the 6-year at 99·00 to yield 4·19 per cent, and the 12-year at 96·50 to yield 4·38 per cent. The 12-year bonds were made subject to call, at the option of the government, after 10 years, and the issue price represented the lowest yield basis on which long term dominion securities had ever been offered in the domestic market. By way of inducement to holders of victory loan bonds, a bonus was offered for prompt conversion, and over $139,000,000 of the maturing victory bonds were turned in for exchange. The banks also converted $40,000,000 of 3½ per cent treasury bills sold to them in May. The total cash subscriptions amounted to $76,700,000, of which $45,700,000 was accepted. It is interesting to note that the small investor participated to a large extent in this offering, as out of a total of 22,663 cash subscriptions there were 16,426 from subscribers for amounts of $1,000 or less. In addition, there were many small subscribers who turned in their maturing bonds for the new issue.

The amount issued of 2-year bonds was $89,300,000, of the 6-year maturity $47,200,000, and of the 12-year maturity $88,300,000. The average interest cost on all maturities was 4·17 per cent, after including bonus for prompt conversion and commissions paid to banks and dealers. The expenses of issue, including commissions, advertising, printing, etc., were less than one-half of one per cent.

It is a matter of considerable satisfaction that the year's financing has been carried through so successfully at rates of interest that have been progressively favourable. Over $858,000,000 of war and victory loans bonds have been converted into new securities since 1930 in connection with which there has been a saving in interest in excess of $9,000,000 a year.

The direct obligations of the dominion in the form of unmatured funded debt and treasury bills are listed in the following statement:

Unmatured Funded Debt and Treasury Bills as of March 31, 1934 and Annual Interest Charges

Date of maturity	Rate, %	Where payable	Amount of Loan	Annual interest charges
			$	$
1934—June 1	3½	London	23,467,206 27	821,352 22
July 1	5	Canada	33,293,470 85	1,664,673 54
Aug. 1	3⅞	Canada	50,000,000 00	1,937,500 00
Oct. 1	4	New York	60,000,000 00	2,400,000 00
Nov. 1	4	Canada	35,000,000 00	1,400,000 00
Nov. 1	5½	Canada	222,216,850 00	12,221,926 75
1935—Aug. 1 *(a)*	5	Canada and N.Y.	874,000 00	43,700 00
Oct. 15	4	Canada	25,000,000 00	1,000,000 00
Oct. 15	3½	Canada	89,393,000 00	3,128,755 00
1936—Feb. 1	4½	New York	40,000,000 00	1,800,000 00
Nov. 15	5	Canada	79,535,200 00	3,976,760 00
1937—Mar. 1 *(a)*	5	Canada and N.Y.	89,787,100 00	4,489,355 00
Dec. 1 *(a)*	5½	Canada	236,299,800 00	12,996,489 00
1938—July 1	3	London	8,071,230 16	242,136 90
July 1	3	London	18,250,000 00	547,500 00
July 1	3	London	10,950,000 00	328,500 00
July 1	3½	London	15,056,006 66	526,960 23
1939—Oct. 15	4	Canada	47,269,500 00	1,890,780 00
1940—Sept. 1	4½	Canada	75,000,000 00	3,375,000 00
1941—Nov. 15	5	Canada	141,663,000 00	7,083,150 00
1943—Oct. 15	5	Canada	147,000,100 00	7,350,005 00
1944—Oct. 15	4½	Canada	50,000,000 00	2,250,000 00
1945—Oct. 15	4	Canada	88,337,500 00	3,533,500 00
1946—Feb. 1	4½	Canada	45,000,000 00	2,025,000 00
1947—Oct. 1	2½	London	4,888,185 64	122,204 64
1950—July 1	3½	London	137,058,841 00	4,797,059 43
1952—May 1	5	New York	100,000,000 00	5,000,000 00
Oct. 15	4	Canada	56,191,000 00	2,247,640 00
1956—Nov. 1	4½	Canada	43,125,700 00	1,940,656 00
1957—Nov. 1	4½	Canada	37,523,200 00	1,688,544 00
1958—Sept. 1	4	London	73,000,000 00	2,920,000 00
1958—Nov. 1	4½	Canada	276,687,600 00	12,450,942 00
1959—Nov. 1 *(b)*	4½	Canada	289,693,300 00	15,933,131 50
1960—Oct. 1	4	London	93,926,666 66	3,757,066 67
Oct. 1	4	New York	100,000,000 00	4,000,000 00
Treasury Bills due June 1, 1934		Canada	2,450,000 00	
Treasury Bills due Nov. 1, 1934		Canada	12,550,000 00	
			2,858,558,457 24	131,890,287 88

Payable in Canada	$ 2,083,229,220 85	72·88%
Payable in Canada and New York	90,661,100 00	3·17%
Payable in New York	300,000,000 00	10·49%
Payable in London	384,668,136 39	13·46%
	$ 2,858,558,457 24	100%
Less bonds and stocks of the above loans held as sinking funds	69,406,434 43	
	$ 2,789,152,022 81	

(a) Tax free in Canada.
(b) 5½% to Nov. 1, 1934.

Indirect Liabilities

Bonds outstanding at March 31, 1934, bearing the guarantee of the government of Canada, amounted to $993,000,000, having been reduced by approximately $3,000,000, in the year.

During the year some further contingent liabilities were assumed, under the authority of the Relief Act. In June last, 5 per cent treasury bills of the provinces of British Columbia and Manitoba were guaranteed to the amounts of $626,533 and $5,894,127, respectively, in order to enable these provinces to raise monies required for the payment of obligations due in New York. Also in the month of June last, two guarantees were given in connection with the production of 30,000 tons of steel rails by the Algoma Steel Corporation and 50,000 tons of steel rails by the Dominion Steel and Coal Corporation, both orders being for the Canadian National Railways. The guarantee of the dominion is

limited to $660,000 in the case of the Algoma order and $1,100,000 in the Dominion Steel and Coal order. The amount of the guarantee represents approximately one-half of the amount involved in the purchase and is related to that portion of the cost represented by wages and materials that had to be bought. The government also undertook to pay interest at 5 per cent on the amount of the guaranteed advances until the rails are delivered.

For the purpose of enabling the Canadian Pacific Railway Company to meet capital obligations and indebtedness, payable partly in Canada and partly in the United States, the dominion guaranteed advances and interest thereon to the amount of $60,000,000 obtained by the company from Canadian chartered banks. In view of existing conditions, the company found itself unable to make a public issue of securities in the markets in which such financing would ordinarily have been done. The bank loans are secured by $100,000,000 par value of Canadian Pacific Railway Company 4 per cent perpetual consolidated debenture stock.

Reference has been made in the previous budgets to the assistance given by way of guarantee to western wheat marketing agencies. It may be observed that in connection with the marketing of the 1931 and 1932 crops, the advances which were obtained by the pools in Manitoba, Saskatchewan and Alberta, under guarantee of the dominion, were repaid and no liability was incurred by the government. In 1933, the marketing agencies were able to finance their operations without government assistance. An order in council passed in April last under the Relief Act, 1933, continued the guarantee given to Canadian Cooperative Wheat Producers Limited, in respect of advances obtained for the marketing of the 1930 crop and the purchase of grain contracts made and to be made in order to secure the advantageous sale of wheat under their control. In so far as the latter guarantee is concerned, it will all depend, as stated before, upon the world wheat situation and the course of wheat prices as to whether there will be any ultimate loss to the dominion treasury as a result of this guarantee. It is fairly generally recognized, however, that the assistance which has been given in this direction has been of material advantage to wheat producers in particular and to the country as a whole, as otherwise the selling pressure at certain periods of the year, without some stabilizing influence in the market, would undoubtedly have resulted in harmful and depressing fluctuations in grain prices.

The guarantee authorized in 1932 in respect of bank advances of $15,538,500 to the Beauharnois Light, Heat and Power Company, was amended slightly to accord with the reorganization of the capital structure of this company. Recently a public issue was made of a portion of the first mortgage bonds securing the guaranteed bank advances, and as a result the amount of the guaranteed advances outstanding will be reduced by about one-half.

The guarantees given under the relief acts, as at March 31, 1934, amounted to $93,296,000, apart from those relating to wheat which are not for a stated sum and fluctuate from day to day. The list is as follows:

Guarantees under Relief Acts

	Principal amount of guarantee outstanding March 31, 1934
Province of British Columbia	$ 626,533
Province of Manitoba	5,894,127
Province of Manitoba Savings Office	10,844,853
Algoma Steel Corporation	660,000
Dominion Steel and Coal Corporation	540,000
Canadian Pacific Railway Company	60,000,000
Beauharnois Light, Heat & Power Company	14,105,558
Government of Newfoundland	625,000
Canadian Co-operative Wheat Producers Ltd	Unstated

The statement of bond issues guaranteed by the dominion government, outstanding at March 31, 1934, follows:

Bonds Guaranteed by Dominion Government as at March 31, 1934

Date of Maturity	Issue	Interest Rate	Amount Outstanding
		%	
Sept. 1, 1934	Can. Northern	4	$ 17,060,333 33
Feb. 15, 1935	Can. Northern	4½	17,000,000 00
Sept. 1, 1936	Grand Trunk	6	24,220,000 00
Oct. 1, 1940	Grand Trunk	7	23,740,000 00
Dec. 1, 1940	Can. Northern	7	23,779,000 00
July 1, 1946	Can. Northern	6½	24,238,000 00
April 1, 1948	New Westminster Harbour Comm	4¾	700,000 00
Sept. 1, 1951	Canadian National	4½	50,000,000 00
Aug. 1, 1952	Saint John Harbour Comm	5	667,953 04
July 10, 1953	Can. Northern	3	9,359,996 72
Feb. 1, 1954	Can. National	5	50,000,000 00
Sept. 15, 1954	Can. National	4½	26,000,000 00
Mar. 1, 1955	Can. National (West Indies) Steamships	5	9,400,000 00
June 15, 1955	Can. National	4¾	50,000,000 00
Feb. 1, 1956	Can. National	4½	70,000,000 00
July 1, 1957	Can. National	4½	65,000,000 00
July 20, 1958	Can. Northern	3½	7,896,557 31
May 4, 1960	Can. Northern Alberta	3½	3,149,998 66
May 19, 1961	Can. Northern Ontario	3½	34,229,996 87
Jan. 1, 1962	Grand Trunk Pacific	3	34,992,000 00
Jan. 1, 1962	Grand Trunk Pacific	4	8,440,848 00
Dec. 1, 1968	Can. National	4½	35,000,000 00
July 1, 1969	Can. National	5	60,000,000 00
Oct. 1, 1969	Can. National	5	60,000,000 00
Nov. 1, 1969	Harbour Comm. of Montreal	5	19,000,000 00
Feb. 1, 1970	Can. National	5	18,000,000 00
By tenders or drawings	Can. National	2	27,178,703 00
Various dates 1934-54	City of St. John Debs. assumed by St. John Harbour Comm'rs	Various	1,266,018 80
Serial–Feb. 1 and Aug. 1, 1934-38	Can. National Equip. G	5	6,750,000 00
Perpetual	Grand Trunk Guaranteed Stock	4	60,833,333 33
"	Grand Trunk Debenture Stock	5	20,782,491 67
"	Great Western Debenture Stock	5	13,252,322 67
"	Grand Trunk Debenture Stock	4	119,839,014 33
"	North. Ry. of Canada Deb. Stock	4	1,499,979 67
			$993,276,547 40

Completing the statistical presentation of the assets and liabilities as at March 31, 1934, the affairs of the dominion, a statement of follows:

Liabilities, March 31, 1934 (Estimated)

Dominion notes outstanding		$172,400,000
Bank circulation redemption fund		6,486,000
Insurance and superannuation funds—		
Government annuities	$ 34,660,000	
Insurance fund, civil service	8,440,000	
Insurance fund, returned soldiers	12,313,000	
Retirement fund	7,528,000	
Superannuation funds	46,335,000	
		109,276,000
Trust funds—		
Indian funds	13,631,000	
Common school funds	2,675,000	
Contractors' securities deposits	118,000	
Other trust funds	2,180,000	
		18,604,000
Contingent and special funds		3,105,000
Post Office money orders, postal notes, etc., outstanding		4,280,000
Province accounts		9,623,000
Post Office savings bank deposits		23,300,000
Funded debt—		
Unmatured	2,789,152,000	
Matured but not presented for payment	2,500,000	
		2,791,652,000
Interest coupons matured but not presented for payment		1,745,000
		$3,140,471,000

Assets, March 31, 1934 (Estimated)		
Active Assets—		
Cash, working capital advances and other current assets		$ 14,263,000
Specie reserve		71,509,000
Advances to banks under Finance Act		40,144,000
Loans to provinces—		
Housing	$ 10,169,000	
Relief Acts	50,740,000	
		60,909,000
Loans to foreign governments—		
Greece	6,525,000	
Roumania	23,969,000	
		30,494,000
Loans to harbour commissioners—		
Montreal	58,422,000	
Vancouver	22,625,000	
New Westminster	275,000	
		81,322,000
Canadian National Railways		17,305,000
Canadian Farm Loan Board		8,503,000
Soldier and general land settlement		45,402,000
Seed grain and relief advances		2,393,000
Canadian government railways open and stores accounts		15,749,000
Deferred debits—		
Unamortized discount and commission on loans		20,782,000
		$408,775,000
Net debt March 31, 1934 (estimated)		$2,731,696,000
Represented by—		
Non-active Assets, March 31, 1934 (estimated)—		
Capital expenditures—		
Public works, Canals	$ 242,092,000	
Railways	444,314,000	
Public buildings, harbour and river improvements	251,061,000	
Military property and stores	12,035,000	
Territorial accounts	9,896,000	
		959,398,000
Loans, non-active—		
Canadian National Railways		655,527,000
Railway accounts (old)		88,399,000
Canadian National Steamships		15,353,000
Harbour commissioners—		
Quebec	$ 26,257,000	
Chicoutimi	3,282,000	
Halifax	8,768,000	
Saint John	12,748,000	
Three Rivers	2,694,000	
Montreal south shore bridge	1,588,000	
		55,337,000
Seed grain and relief advances		675,000
Soldier and general land settlement		16,514,000
Miscellaneous advances		3,527,000
Consolidated fund—		
Balance, consolidated fund, brought forward from March 31, 1933	811,417,000	
Excess of expenditure over revenue, fiscal year ended March 31, 1934 (estimated)	125,549,000	
		936,966,000
		$2,731,696,000

Ways and Means, 1934-35

With higher prices and expanding volume of business, the outlook for the revenues in the current fiscal year is distinctly favourable. A substantially increased income over the past year is assured even with only a maintenance of the gains already made and there are indications that the upward movement is being continued. The collections in the first two weeks of April have been most reassuring. As the ordinary expenses of government have been kept closely to the amount disbursed last year, and as there is ground for expecting a substantial reduction in the requirements for unemployment relief and railway deficits, it seems reasonably clear that we can anticipate a greatly improved budget position without adding to the existing rates of taxation. The taxation proposals therefore are not extensive.

[Mr. Rhodes.]

Income Tax

No changes will be made in the schedules of income tax rates and exemptions. The five per cent tax on interest and dividends will be retained for another year. The Income War Tax Act, however, will be subject to a number of minor amendments, designed primarily to remove existing inequalities in its application.

Sales Tax

There are a few, but very few, alterations proposed in the various taxes at present levied under the Special War Revenue Act. I shall now enumerate these, commenting very briefly where any particular item calls for explanation.

It is not proposed to make any change in the rate of sales tax nor to alter materially the existing schedule of exemptions from this tax. There will be transferred to the exempt list bakers' cake and pies, certain sugar bush equipment, and milk albumen used exclusively in the production of animal or poultry feed. Otherwise the sales tax will remain unaltered.

Excise Taxes

With respect to excise taxes (apart from the changes to be mentioned in connection with beer and some of its ingredients which are in future to be dealt with under the Excise Act), the following changes are to be made. The present tax on sugar will be reduced to one cent a pound. Glucose and grape sugar, except when used in the manufacture of leather and artificial silk, will in future bear the rate of one-half cent a pound. These changes in the tax on sugar will become effective as of July first. On sparkling wines the tax will be reduced to seventy-five cents a gallon. The tax on cigarette tubes imported into or manufactured in Canada will be reduced from four to three cents a hundred tubes.

With respect to all imports under the British preferential tariff, the special excise tax will be reduced by one half, that is from three to one and one-half per cent. The reduction will also apply to certain commodities which under empire agreements enter Canada at lower rates of duty than those obtaining under the British preference.

The stamp tax on postal notes issued in the amount of $1 and under is to be reduced to one cent.

Tax on Gold

To replace the revenue lost by the reduction in the tax on sugar, it is proposed to levy a tax of ten per cent on gold. In this connection one must keep in mind the fact that since our abandonment of the gold standard, the price of gold in Canadian currency has risen from $20.67 an ounce to approximately $35. This is an increase in the selling price of the product of our gold mines of about seventy per cent. Furthermore, the extraordinary increase in the profits which accordingly accrue to gold producers finds its origin in circumstances entirely external to this particular industry. That is to say, the reason for this increase in price is to be found in the chaotic conditions of world currencies, the depreciation of our dollar in the foreign exchanges and the devaluation of gold by certain countries.

The proposed ten per cent tax will be deducted from the proceeds of all gold deposited at the mint for sale. On such gold as is unacceptable for treatment at the mint and is exported, the tax shall be collected under regulations to be made by the governor in council. In order that the tax shall not apply when the conditions giving rise to these fortuitous gains accruing to gold producers have to a degree disappeared, it is provided that the tax shall not operate to reduce the amount paid for gold below $30 an ounce in Canadian currency. In view of the tax the present handling charge incidental to the disposal and sale of the gold will be discontinued.

In announcing this tax, it is perhaps expedient that I suggest in advance a partial view of the circumstances which I believe make this form of tax more desirable than any alternative form which suggests itself, such as, for example, an excess profits tax on gold producers. This aspect of the matter has received the most careful consideration and we are convinced that whilst a tax designed to reach excess profits has certain advantages, the form of the tax as proposed is, on balance, best adapted to meet our particular situation.

For example, you are aware that many of our mines in Canada in the process of producing gold, produce other metals as well, and that in some other mines where base metals are the major products, considerable gold is recovered in the process. The difficulty which would arise in such cases in the levying of an

excess profits tax would be that of determining for taxation purposes the profits due to the increase in the price of gold. The proposed tax avoids this difficulty. It may also be emphasized that the tax will be extremely simple in administration and can be collected with a minimum of cost. An excess profits tax, on the other hand, would necessarily be more complex and would involve additional expense and administrative machinery. Furthermore, the present tax will immediately return substantial revenue, while a tax on profits, unless made retroactive, would not provide additional revenue for the current year.

Against the contention that the proposed tax will injure the gold mining industry, it can be asserted that little if any of our production is obtained at present on such a narrow margin of profit as to be vitally affected by the proposed tax. Also, there is reason to believe that many of the recently discovered bodies of ore are such that profits would be realized even if the price of gold were at the usual $20.67 level, the price under which, I may point out, we attained the position of second largest gold producing country in the world.

Finally, it is believed there can be no legitimate objection to a tax which will operate merely to establish a market price for gold of approximately $31.50 an ounce fine under present conditions, especially when it is remembered that the average price received by our gold producers during the last calendar year was only $28.72 an ounce. This was a year, as you are aware, of great prosperity in the industry and of intense activity in the exploration and development of gold mining properties.

Excise Duties

The principal change in connection with excise duties is a consolidation of the existing duty of three cents a pound on malt and the gallonage tax of twelve and one-half cents on beer now levied under the Special War Revenue Act, into a single excise duty of seven and one-half cents a pound on malt.

While this change will result in a slight reduction in the rate of taxation to which beer is directly or indirectly subject, if calculated on a gallonage basis, it is believed that the total revenue forthcoming will at least equal that currently obtained from malt and beer. The new method of administration will assure not only more economical but also more certain collection of the tax. Furthermore, since the duty is to be levied on the malt alone, the time of payment will be advanced and the revenue secured before the malt goes into production.

In accordance with the above-mentioned change the existing duty on beer or fermented beverages made from substances other than malt has been increased by the appropriate amount and the excise tax on beer imported becomes an excise duty. The existing tax of twenty cents a pound on malt syrup is to be reduced to seventeen cents to allow for the increase in the duty on the malt used in its production and will be levied as an excise duty. In view of the increase in the duty on malt the existing tax on sweet wort is to be repealed. These changes in excise duties become effective July 1.

Customs Tariff

Amendments to the Customs Tariff are relatively few in number, but not without interest, and are summarized as follows:

Reduction under all tariffs	24
Reductions under British preferential tariff only	15
Reductions under intermediate and general tariffs only	13
Increases under intermediate and/or general tariffs	2
Increases under all tariffs	1
Clarification of wording	17
	72

Items of major commercial importance on which reductions are confined to the British preferential tariff include jute yarns, wide steel plate, salt cake, crude oil not in its natural state, impregnated canvas and spun yarns of artificial silk.

Numerous chemical commodities are returned to the free list, the more important of these being gum amber, aluminum leaf, flotation reagents, ingredients of synthetic resins and synthetic kryolite.

The solitary instance of upward revision under all tariffs is that of jute twines, the proposed rates being the result of an inquiry by the tariff board.

Duties are imposed, under the intermediate and general tariffs, on crude peanut oil and are increased on certain ferro-alloys. The former action provides an empire preference contemplated by the imperial economic conference but not hitherto made effective; the latter is intended to protect an important Canadian key industry, the only one of its

kind in the dominion, against the questionable commercial practices of certain European producers.

The drawback of duty hitherto granted on imported bituminous coal, used in the production of coke in by-product recovery coke ovens, has been widened in terms to cover coke "produced by any method," with the amount of drawback for the entire item reduced from ninety-nine to fifty per cent.

Tariff Board

Since its inception in the early part of last summer, the tariff board, under Part I of The Tariff Board Act, has reported to Parliament upon eleven references made to it by the Minister of Finance. The subject matter of these reports is as follows: salt cake, impregnated canvas, jewellery findings, glass bases for imitation pearls, firearms and parts, button blanks, sailcloth of Egyptian cotton, jute yarns and twines, collodion bronze powders and telegage liquid. As respects all but the three last named, the Board's reports are directly reflected in several of the tariff proposals being announced today. These reports will be tabled forthwith. In addition, the tariff board has prepared an interim report on the wool reference, which arose out of an application by the British producers of woollen goods. The latter report will be tabled shortly.

Following representations by His Majesty's government in the United Kingdom, this government contemplates action by order in council whereby the British content requirement shall be reduced from one-half to one-quarter, in respect of a wide range of chemicals, drugs, and chemical commodities.

Revenues 1934-35

It is estimated that the total revenue for the current fiscal year, after giving effect to the changes which have been enumerated, will amount to $360,000,000, made up as follows:

Taxation revenue:	
Customs duties	$ 78,000,000
Excise duties	40,000,000
Income tax	61,000,000
Sales tax	72,000,000
Manufacturers', stamp, importation and other special taxes	55,000,000
	$306,000,000
Non-tax revenue:	
Post office	$ 32,000,000
Interest on investments	11,300,000
Other sources	10,700,000
	$ 54,000,000
Total	$360,000,000

The ordinary expenditures for 1934-35 are estimated at $351,200,000. The anticipated revenue, therefore, will provide fully for these expenditures and leave a surplus of $8,800,000 to apply on capital and extraordinary expenditures.

While the demands upon the treasury have not permitted any general lowering of the rate of taxation, it is felt that the reductions, remissions and adjustments already outlined will have the effect of easing the burden in those cases where it has borne most heavily, and that the single increase in taxation will not result in undue, if any, hardship.

Thoughtful observers have with one voice expressed the opinion that the process of recovery from this unprecedentedly severe and prolonged depression would be gradual. Indeed, it may be fairly asserted that too rapid recovery would present the danger of an unhealthy reaction, and that we would be far better off in the long run if improving conditions should conform to the truth of the old adage, "slow, but sure."

At the same time, while the improvement has been gradual, it has not only been sustained but has progressively increased. This is evidenced by the splendid increases in both imports and exports for the month of March, which show a proportionate advance in volume of trade hitherto unprecedented.

It is generally recognized that this depression and its blighting effects have been world wide. This fact of itself has had the tendency to produce a "depression psychology," followed by what might be termed a "depression weariness." The result is that we do not so readily recognize and properly appraise the incontrovertible evidences of reviving activity which have made their appearance.

These signs of improvements are so marked as to indicate beyond question that we are on the road to recovery. May we with renewed hope, fresh courage and firm step press on towards the goal of better and happier days which lie not far ahead.

RESOLUTIONS

Mr. Speaker, I beg to give notice that when we are in committee of Ways and Means I will move the following resolutions:

Income War Tax Act

Resolved, that it is expedient to amend the Income War Tax Act and to provide:—

1. That income shall include rents, royalties, reservations and other like considerations which fluctuate according to the production from or the use of the property leased or sold.

2. That companies exempt from taxation under section four, paragraph (k) of the act

shall not be exempt if they fail to file, without reasonable cause therefor, within four months from the close of their fiscal period an annual return on the form prescribed, and at the same time pay a filing fee of one hundred dollars.

3. That the exemption of $1,000 heretofore afforded a trustee accumulating income in trust for the benefit of unascertained persons or of persons with contingent interests shall be abolished.

4. That interest, dividends, rents, royalties, annuities and other periodical payments received by executors and administrators of a deceased person shall be apportioned as if accruing from day to day and that portion accrued to the date of death shall be taxed as income of the deceased.

5. That the amounts paid by an estate or trust for the upkeep, maintenance and taxes of any property which under the terms of the will or trust in question are required to be maintained for the use of life beneficiaries shall be taxable as income of such beneficiaries.

6. That where any of the shares of a personal corporation are held by a non-resident shareholder, the company shall be taxable at the corporate rates of tax on such shareholder's proportionate interest in the income of the personal corporation.

7. That income from assets transferred directly or indirectly by a taxpayer to minors shall continue to be taxed as the income of the taxpayer transferring the assets.

8. That any enactment founded on this resolution shall be deemed to have come into force at the commencement of the 1933 taxation period and to be applicable thereto and to the fiscal periods ending therein, and to all subsequent periods.

Special War Revenue Act

Resolved, That it is expedient to introduce a measure to amend The Special War Revenue Act, chapter one hundred and seventy-nine of the revised statutes of 1927, and amendments thereto, and to provide as follows:

1. That the excise tax imposed by section eighty and schedule II of the said act on the following items be repealed, namely:

Ale, beer, porter and stout;

Unfermented wort (sweet wort) suitable for the brewing of beer, (as imposed by section twenty-seven of chapter fifty of the statutes of 1932-33);

Malt syrup, or malt syrup powder, extracts of malt, fluid or not, or any other malt product suitable for the brewing of beer, (as imposed by said section twenty-seven).

(To be replaced by excise duties).

2. That said Schedule II, as enacted by section twenty-seven of chapter fifty of the statutes of 1932-33, be further amended by striking thereout items (i) and (ii) and substituting the following:

(i) Materials enumerated in customs tariff items 134, 135, 135 (a), 135 (b), 139 (except glucose and grape sugar) 140 (except molasses); invert sugar and syrup, 1c. per pound;

(ii) Glucose and grape sugar (except when for use exclusively in the manufacture of leather and artificial silk), ½c. per pound.

[Mr. Rhodes.]

3. That schedule III to the said Act, being the list of articles exempted from the consumption or sales tax, as enacted by section twenty-eight of chapter fifty of the statutes of 1932-33, be amended as follows:

(a) by deleting the words "when produced by any one manufacturer or producer to the value of not more than three thousand dollars in any one calendar year" where they appear after the words "bakers' cake and pies" at the end of the second paragraph of said schedule and by substituting the words "not to include biscuits, cookies or other similar articles";

(b) by adding to the said schedule the following:

Sap spouts and sap buckets, evaporators and complete parts therefor, when for use exclusively in the production of maple syrup;

Milk albumen, when for use exclusively in the production of animal or poultry feeds.

4. That schedule V to the said act, as enacted by section thirty of chapter fifty of the statutes of 1932-33, containing list of exemptions from special excise tax imposed by section eighty-eight of the said act, as enacted by section twelve of chapter fifty-four of the statutes of 1932, be amended by adding thereto the following:

"Articles enumerated in customs tariff item 352 (a)".

5. That subsection one of section seventy of the said act, as enacted by section ten of chapter fifty of the statutes of 1932-33, be repealed and the following substituted therefor:

70. (1) No postal note shall be issued under the provisions of The Post Office Act unless there is affixed thereto a postage stamp of the value of:

(i) one cent if the amount of money for which the postal note is issued is not more than one dollar;

(ii) three cents if the amount of money for which the postal note is issued exceeds one dollar;

to be paid for by the purchaser of the note.

6. That subsection two of section seventy-seven A, as enacted by section twelve of chapter fifty of the statutes of 1932-33, be repealed and the following substituted therefor:

77A. (2) Except as hereinafter provided, every manufacturer and every importer of cigarette paper tubes shall affix to every package of cigarette paper tubes manufactured by him or imported by him into Canada, an excise stamp of the value of three cents for each one hundred cigarette paper tubes or fraction of one hundred cigarette paper tubes contained in such package.

7. That subsection one of section eighty-three of the said act be amended by repealing paragraph (b) and substituting the following:

(b) a tax of seventy-five cents per gallon on champagne and all other sparkling wines.

8. That section eighty-eight of the said act, as enacted by section twelve of chapter fifty-four of the statutes of 1932, be amended by adding thereto the following proviso:

Provided, further, that the said tax be at the rate of one and one-half per cent on all goods imported into Canada entitled to the benefit of the British preferential tariff or any lower tariff.

9. That there shall be imposed, levied and collected a tax of ten per centum on the value of gold deposited for sale at the Royal Canadian Mint, such value to be an amount calculated under regulations to be made by the governor in council on the basis of the sale price of gold in the world market converted into Canadian currency at the prevailing rates of exchange, the amount of the tax to be deducted from the value so determined before final settlement is made by the Mint with the depositor.

10. That it shall be unlawful for any producer of gold from natural deposits in Canada to dispose of the same in quantities exceeding five ounces fine in any one week except by depositing it with the Royal Canadian Mint or the Dominion of Canada Assay Office, Vancouver, if such gold is in a form acceptable under the regulations for the receipt of gold bullion at the Royal Canadian Mint and that penalties be provided for violation of this provision.

11. That no charges, except the charges imposed by the regulations for the receipt of gold bullion at the Royal Canadian Mint, shall be made by the Mint in respect of any gold subject to the said tax.

12. That all gold exported in the form of ore, concentrates, or base bullion and all gold in manufacturers' sweeps so exported shall be subject to a like tax, under regulations to be made by the governor in council.

13. That the said tax shall not operate so as to reduce the amount payable to the depositor or exporter below thirty dollars per ounce fine in currency of Canada.

14. That any enactment founded on paragraphs one and two of this resolution shall come into force on the first day of July, one thousand nine hundred and thirty-four.

15. That any enactment founded on paragraphs three, four and five of this resolution shall be deemed to have come into force on the nineteenth day of April, one thousand nine hundred and thirty-four.

16. That any enactment founded on paragraphs six, seven and eight of this resolution shall be deemed to have come into force on the nineteenth day of April, one thousand nine hundred and thirty-four, and to have applied to all goods mentioned therein imported or taken out of warehouse for consumption on and after that day, and to have applied to goods previously imported for consumption for which no entry for consumption was made before that day.

17. That any enactment founded on paragraphs nine to thirteen, inclusive, of this resolution shall be deemed to have come into force on the nineteenth day of April, one thousand nine hundred and thirty-four.

EXCISE ACT

Resolved, That it is expedient to introduce a measure to amend the Excise Act, being chapter sixty of the revised statutes of Canada, 1927, and amendments thereto, and to provide:

1. That the excise duty on malt be increased as follows:

(a) On screened malt (malt from which the coomings have been removed), manufactured in Canada subject to excise regulations with respect to absorption of moisture in warehouse, from three cents per pound to seven and one-half cents per pound;

(b) On malt imported into Canada and warehoused, from three cents per pound to seven and one-half cents per pound;

(c) On malt imported into Canada, crushed or ground, from five cents per pound to nine and one-half cents per pound;

thereby consolidating as a single duty of excise the duties of excise now imposed upon malt used in the brewing of beer and the gallonage tax imposed under the Special War Revenue Act at the rate of twelve and one-half cents per gallon upon the beer itself, the said gallonage tax to be repealed by an amendment to the Special War Revenue Act.

All duty-paid malt on hand in any premises subject to excise on the day this act comes into force to be subject to the difference between the rate already paid and that hereby imposed.

2. (a) That the existing duty imposed on beer or any fermented beverage made in imitation thereof, brewed in whole or in part from any other substance than malt, be increased from fifteen cents per gallon to twenty-five cents per gallon, thereby maintaining the differential rate of duty between beer brewed by the use of malt and beer brewed by the use of other substances and combining with the said excise duty the gallonage tax imposed upon such liquor under the Special War Revenue Act.

(b) That an excise duty be imposed on all beer imported into Canada and taken out of bond for consumption at the rate of twelve and one-half cents per gallon, to replace the excise tax imposed at the same rate under the Special War Revenue Act.

(c) That an excise duty be levied upon all beer brewed from duty-paid malt in storage at the time of the coming into force of this Act at the rate of ten cents per gallon.

3. That an excise duty be levied upon all unfermented wort (sweet wort) suitable for the brewing of beer in storage and unsold at the coming into force of this act, at the rate of ten cents per gallon, thereby equalizing the duty to be levied upon such sweet wort with the duty to be levied upon the malt entering into the production of sweet wort produced after the coming into force of the increased duty on malt hereby proposed; the tax imposed upon such wort under the Special War Revenue Act to be repealed.

4. That excise duties be levied on all malt syrup suitable for the brewing of beer at the following rates:

(a) When manufactured or produced in Canada prior to the coming into force of this act, per pound twenty cents;

(b) When manufactured or produced in Canada after the coming into force of this act, per pound seventeen cents;

(c) When imported into Canada or taken out of warehouse after the coming into force of this act, per pound twenty cents;

the above duties to replace the existing tax imposed by the Special War Revenue Act at the rate of twenty cents per pound, the reduction under (b) being to compensate for the increased duty on malt which enters into the production of such syrup.

5. That any enactment founded on this resolution shall come into force on the first day of July, one thousand nine hundred and thirty-four.

RESOLUTIONS TO AMEND THE CUSTOMS TARIFF

1. Resolved, That the Customs Tariff, being chapter forty-four of the revised statutes of Canada, 1927, as amended by chapter thirty-nine of the Acts of 1929, chapter thirteen of the Acts of 1930 (first session), chapter three of the Acts of 1930 (second session), chapter thirty of the Acts of 1931, and chapters six and thirty-seven of the Acts of 1932-33, be further amended by striking thereout paragraph (j) of subsection (1) of section 2 thereof and by substituting therefor the following:

(j) "Proof", "proof spirit" or "proof spirits", means any spirit having the strength of proof by Sikes' hydrometer, that is, spirit which at the temperature of fifty-one degrees Fahrenheit weighs exactly twelve-thirteenths of the weight of an equal measure of distilled water at the same temperature.

2. Resolved, That the aforesaid customs tariff be further amended by adding to section 5 thereof the following subsection:

(5) In computing the ad valorem rate of duty on tea purchased in bond in the United Kingdom, the value for duty shall not include the amount of the customs duty payable on tea for consumption in the United Kingdom.

3. Resolved, That schedule A to the Customs Tariff, being chapter forty-four of the Revised Statutes of Canada, 1927, as amended by chapter seventeen of the Acts of 1928, chapter thirty-nine of the Acts of 1929, chapter thirteen of the Acts of 1930 (first session), chapter three of the Acts of 1930 (second session), chapter thirty of the Acts of 1931, chapter forty-one of the Acts of 1932, and chapters six and thirty-seven of the Acts of 1932-33, be further amended by striking thereout tariff items 99e, 180, 187, 203b, 207, 208e, 208g, 208u, 210d, 210e, 219(ii), 242, 254, 267b, 278b, 278d, 294, 334, 339a, 353, 353a, 370, 375, 380, 392a, 409e (ii), 410d, 412, 414b, 445j, 471a, 472, 475, 511, 537, 537a, 551c, 651, 651a, 685, 709, 733, 811, 815, the several enumerations of goods respectively and the several rates of duties of customs, if any, set opposite each of the said items, and by inserting the following items, enumerations and rates of duty in said schedule A:

Tariff Item	—	British Preferential Tariff	Intermediate Tariff	General Tariff	Present Rates		
					B.P. Tariff	Int. Tariff	Gen. Tariff
99e	Dates, n.o.p. ..... per pound When in packages weighing two pounds each, or less, the weight of such packages to be included in the weight for duty.	1 ct.	1¾ cts.	2½ cts.	1 ct.	1¾ cts.	2½ cts.
117	Halibut livers, fresh	Free	Free	Free	15 p.c.	20 p.c.	25 p.c.
180	Photographs, chromos, chromotypes, artotypes, oleographs, paintings, drawings, pictures, decalcomania transfers of all kinds, n.o.p., engravings or prints or proofs therefrom, and similar works of art, n.o.p.; blue-prints, building plans, maps, and charts, n.o.p.	15 p.c.	22½ p.c.	22½ p.c.	15 p.c.	22½ p.c.	22½ p.c.
180c	Decalcomania transfers, when imported for use exclusively in the manufacture of tableware of china, porcelain or semi-porcelain	Free	10 p.c.	12½ p.c.	15 p.c.	22½ p.c.	22½ p.c.
187	Albumenized and other papers and films chemically prepared for photographers' use, n.o.p.	15 p.c.	25 p.c.	30 p.c.	15 p.c.	25 p.c.	30 p.c.
187a	Hypersensitive or supersensitive panchromatic films, unexposed, for aerial photography	Free	10 p.c.	15 p.c.	15 p.c.	25 p.c.	30 p.c.
203b	Aniline and coal tar dyes, adapted for dyeing, in bulk, or in packages of not less than one pound weight..	Free	10 p.c.	10 p.c.	Free	10 p.c.	10 p.c.
	Provided, that when such dyes are permitted entry into the United Kingdom, by licence, under Section (2) of the Dye-Stuffs Act (1920) the rates of duty shall be:	Free	Free	Free	Free	Free	Free
207	Dried blood, n.o.p.	5 p.c.	7½ p.c.	10 p.c.	5 p.c.	7½ p.c.	10 p.c.
207b	Dried blood, soluble	Free	Free	Free	5 p.c.	7½ p.c.	10 p.c.
208e	Cresylic acid and compounds of cresylic acid, used in the process of concentrating ores, metals or minerals, n.o.p.	Free	15 p.c.	15 p.c.	Free	15 p.c.	15 p.c.
208g	Calcium molybdate, when imported for use exclusively in the manufacture of steel, under regulations prescribed by the minister	Free	Free	5 p.c.	Free 15 p.c.	Free 25 p.c.	5 p.c. 25 p.c.
208u	Xanthates and sulpho-thio-phosphoric (dithio-phosphoric) compounds, for use in the process of concentrating ores, metals or minerals	Free	Free	Free	Free Free	Free 15 p.c.	Free 15 p.c.
208v	Butyl alcohol, until October 15, 1934	Free	Free	Free	Free	25 p.c.	25 p.c.
208w	Theobromine, crude, and dimethyl sulphate	Free	Free	Free	Free	25 p.c.	25 p.c.
210d	Sodium, sulphate of, crude, or salt cake, per pound	1/5 ct.	3/5 ct.	3/5 ct.	½ ct.	3/5 ct.	3/5 ct.

Tariff Item	—	British Preferential Tariff	Intermediate Tariff	General Tariff	Present Rates		
					B.P. Tariff	Int. Tariff	Gen. Tariff
210e	Nitrate of soda or cubic nitre when imported for use as a fertilizer, for use in the curing or pickling of meats or for use in the manufacture of vitreous glazes and enamel frits, or when imported by manufacturers of explosives for use exclusively in the manufacture of explosives, in their own factories..	Free	Free	Free	Free Free	Free 15 p.c.	Free 20 p.c.
216d	Phthalic anhydride, adipic, abietic, maleic and succinic acids and ethylene glycol, when imported by manufacturers of synthetic resins, for use exclusively in the manufacture of synthetic resins, in their own factories.....	Free	Free	Free	Free	25 p.c.	25 p.c.
219	(ii) Solutions of hydrogen peroxide containing twenty-five per centum or more by weight of hydrogen peroxide.....	Free	22½ p.c.	25 p.c.	Free	22½ p.c.	25 p.c.
219e	Mixtures containing cyanides, for use in combating destructive insects and pests.....	Free	Free	Free	Free	15 p.c.	15 p.c.
242	Dry red lead, orange mineral and titanium oxide; zinc oxides such as zinc white and lithopone.....	Free	15 p.c.	15 p.c.	Free 15 p.c.	15 p.c. 20 p.c.	15 p.c. 22½ p.c.
246b	Stains and oxides, valued at not less than 20 cents per pound, and liquid gold, for use exclusively as colouring constituents in the manufacture of vitreous enamels and pottery glazes.....	Free	20 p.c.	22½ p.c.	15 p.c. 15 p.c.	20 p.c. 22½ p.c.	22½ p.c. 25 p.c.
254	Gums, viz:—Arabic, Australian, copal, damar, elemi, kaurie, mastic, sandarac, Senegal, tragacanth, gedda, and barberry; gum chicle or sappato gum, crude; lac, crude, seed, button, stick and shell; ambergris; Pontianac.....	Free	15 p.c.	15 p.c.	Free	15 p.c.	15 p.c.
254a	Gum, amber.....	Free	Free	Free	Free	15 p.c.	15 p.c.
267b	Crude petroleum not in its natural state, ·7250 specific gravity or heavier at 60 degrees temperature, when imported by oil refiners to be refined in their own factories.....per gallon	Free	1½ cts.	1½ cts.	½ ct.	1½ cts.	1½ cts.
278c	Crude peanut oil, for refining for edible purposes, used as materials in Canadian manufactures.....	Free	10 p.c.	10 p.c.	Free	Free	Free
278d	Olive oil for manufacturing soap or tobacco or for canning fish; olive oil for use in the processing of textile fibres, including the finishing of fabrics.....	Free	Free	Free	Free Free	Free 20 p.c.	Free 20 p.c.
294	Gypsum, ground, not calcined.....	10 p.c.	12½ p.c.	15 p.c.	10 p.c.	12½ p.c.	15 p.c.

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326c	Concave blanks of uncoloured clear glass, when imported by manufacturers to be used exclusively in the manufacture of silvered mirror reflectors for lighting systems	Free	10 p.c.	10 p.c.	15 p.c.	20 p.c.	22½ p.c.
326d	Beads, drops or other shapes of glass, when imported by manufacturers of imitation pearls, for use exclusively in the manufacture of such articles in their own factories	Free	Free	Free	15 p.c.	20 p.c.	22½ p.c.
334	Kryolite or cryolite	Free	Free	Free	Free Free	Free 25 p.c.	Free 25 p.c.
339a	Lead capsules for bottles	Free	27½ p.c.	30 p.c.	10 p.c.	27½ p.c.	30 p.c.
353	Aluminum and alloys thereof, crude or semi-fabricated, viz.: Pigs, ingots, blocks, notch bars, slabs, billets and blooms; bars, rods and wire; angles, channels, beams, tees and other rolled or drawn sections and shapes; pipes and tubes; plates, sheets and strips, including circles; leaf, n.o.p., or foil, less than ·005 inch in thickness, plain or embossed, with or without backing; wire and cable, twisted or stranded, reinforced with steel or not; aluminum powder	Free	30 p.c.	30 p.c.	Free	30 p.c.	30 p.c.
353a	Aluminum leaf, less than ·005 millimetres in thickness; aluminum scrap Provided, that nothing shall be deemed to be aluminum scrap except waste or refuse aluminum, fit only to be remelted.	Free	Free	Free	Free Free	Free 30 p.c.	Free 30 p.c.
362a	Metal parts, electro-plated, for loose-leaf binders	20 p.c.	37½ p.c.	45 p.c.	30 p.c.	37½ p.c.	45 p.c.
365a	Findings of metal, not plated or coated, including stampings, trimmings, spring-rings, bolt-rings, clasps, snaps, swivels, vest chain bars, joints, catches, pin tongues, buckle tongues, coil pins, clip actions, settings and eyepins, when imported by manufacturers of jewellery or ornaments for the adornment of the person, for use exclusively in the manufacture of such articles, in their own factories	15 p.c.	25 p.c.	30 p.c.	25 p.c. 30 p.c.	35 p.c. 37½ p.c.	40 p.c. 45 p.c.
365b	Wire or strip, viz.: Gold, gold-filled, silver, silver-filled, brass or nickel silver, knurled, twisted, figured or with ornamental design rolled or drawn thereon, and wire of nickel silver, plain, in oil or otherwise, when imported by manufacturers of jewellery or ornaments for the adornment of the person, for use exclusively in the manufacture of such articles, in their own factories	Free	20 p.c.	25 p.c.	10 p.c.	30 p.c.	35 p.c.
370	Copper rollers, and stones, used in the printing of textile fabrics or wallpaper	Free	10 p.c.	10 p.c.	Free 20 p.c.	10 p.c. 30 p.c.	10 p.c. 35 p.c.
375	Ferro-alloys:— *(a)* Ferro-manganese, spiegeleisen and other alloys of manganese and iron containing not more than 1 per centum, by weight, of silicon—per pound, or fraction thereof, on the manganese contained therein	Free	1 ct.	1¼ cts.	Free	Free	Free

Tariff Item	—	British Preferential Tariff	Intermediate Tariff	General Tariff	Present Rates		
					B.P. Tariff	Int. Tariff	Gen. Tariff
	(b) Silico-manganese, silico spiegel and other alloys of manganese and iron containing more than 1 per centum, by weight, of silicon—per pound, or fraction thereof, on the manganese contained therein	Free	1½ cts.	1¾ cts.	Free Free	Free 5 p.c.	Free 5 p.c.
	(c) Ferro-silicon, being an alloy of iron and silicon containing 8 per centum or more, by weight, of silicon and less than 60 per centum—per pound, or fraction thereof, on the silicon contained therein	Free	1½ cts.	1¾ cts.	Free Free	7½ p.c. 10 p.c.	7½ p.c. 10 p.c.
	(d) Ferro-silicon, being an alloy of iron and silicon containing 60 per centum or more, by weight, of silicon and less than 90 per centum—per pound, or fraction thereof, on the silicon contained therein	Free	2½ cts.	2¾ cts.	Free	10 p.c.	10 p.c.
	(e) Ferro-silicon, being an alloy of iron and silicon containing 90 per centum or more, by weight, of silicon—per pound, or fraction thereof, on the silicon contained therein	Free	5 cts.	5½ cts.	15 p.c.	25 p.c.	25 p.c.
	(f) All alloys used in the manufacture of steel or iron, n.o.p.	Free	5 p.c.	5 p.c.	Free	5 p.c.	5 p.c.
380	Plates of iron or steel, hot or cold rolled:—						
	(a) Not more than 66 inches in width, n.o.p. ..... per ton	$4.25	$8.00	$8.00	$4.25	$8.00	$8.00
	(b) More than 66 inches in width, n.o.p. . per ton	Free	$6.00	$6.00	Free	$6.00	$6.00
	(c) Flanged, dished or curved, n.o.p.	10 p.c.	25 p.c.	30 p.c.	10 p.c.	25 p.c.	30 p.c.
	Provided, that as regards subsection *(b)* of this tariff item, the provisions of Section 6 of the Customs Tariff Act shall not apply to importations under the British Preferential Tariff.						
392a	Forgings of iron or steel, in any degree of manufacture, hollow, machined or not, not less than 12 inches in internal diameter	Free	30 p.c.	30 p.c.	Free 20 p.c. 15 p.c.	30 p.c. 27½ p.c. 27½ p.c.	30 p.c. 30 p.c. 35 p.c.
409e	(ii) Fruit and vegetable grading, washing and wiping machines and combination bagging and weighing machines, and complete parts therefor	Free	10 p.c.	10 p.c.	Free 15 p.c.	10 p.c. 27½ p.c.	10 p.c. 35 p.c.

410d	Well-drilling machinery and apparatus, and complete parts thereof, of a class or kind not made in Canada, and seamless iron or steel tubing over eight inches in diameter, for use exclusively in drilling for water, natural gas and oil, and in prospecting for minerals, but not to include motive power; packer rubbers for oil and gas wells	Free	Free	Free	Free 15 p.c.	Free 25 p.c.	Free 27½ p.c.
410n	(ii) Complete parts for repairs for the coal-cutting machines, n.o.p., enumerated in Tariff item 410n, when imported prior to January 1, 1935, and when for use exclusively in repairing coal-cutting machines imported into Canada prior to January 1, 1933	Free	Free	Free	Free	10 p.c.	10 p.c.
412	Machinery, being presses for use in the printing of newspapers, of not less value by retail than $1,500 each, of a class or kind not made in Canada, and complete parts thereof, not to include saws, knives and motive power	Free	Free	Free	Free Free	Free 10 p.c.	Free 15 p.c.
441f	Metal parts, n.o.p., when imported by manufacturers of shotguns, to be used exclusively in the manufacture of shotguns, in their own factories	Free	17½ p.c.	25 p.c.	15 p.c.	27½ p.c.	35 p.c.
445j	Electric dry shaving machines, of a class or kind not made in Canada, for use in removing human hair, and complete parts thereof	Free	10 p.c.	10 p.c.	Free 15 p.c.	10 p.c. 27½ p.c.	10 p.c. 35 p.c.
471a	Pressed steel belt pulleys for power transmission, and finished or unfinished parts thereof, including interchangeable bushings	Free	25 p.c.	27½ p.c.	Free 15 p.c.	25 p.c. 27½ p.c.	27½ p.c. 35 p.c.
472	Plates, rolls and cylinders engraved on wood, or on steel or other metal, and transfers taken from same, n.o.p.; engravers' plates, rolls and cylinders of steel or other metal, polished or otherwise processed, for engraving thereon or for transferring thereto from engraved plates	10 p.c.	15 p.c.	20 p.c.	10 p.c. 15 p.c.	15 p.c. 27½ p.c.	20 p.c. 35 p.c.
475	Stereotypes, electrotypes and celluloids of books, and bases and matrices and copper shells for the same, whether composed wholly or in part of metal or celluloid; positive and negative films of periodical publications regularly issued at stated intervals as frequently as, at least, four times a year, not including catalogues	Free	Free	Free	Free	Free	Free
494b	Corkwood or corkbark in strips, for use in the manufacture of roller covers for textile machinery	Free	Free	Free	Free	17½ p.c.	20 p.c.
511	Fishing rods, walking sticks and walking canes, of all kinds; golf clubs and finished parts thereof; skis; racquets and racquet frames and baseball bats; balls of all kinds for use in sports, games or athletics, n.o.p.	20 p.c.	30 p.c.	35 p.c.	20 p.c.	30 p.c.	35 p.c.

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Tariff Item	—	British Preferential Tariff	Intermediate Tariff	General Tariff	Present Rates		
					B.P. Tariff	Int. Tariff	Gen. Tariff
511a	Cricket bats, balls, gloves and leg guards.....	Free	30 p.c.	35 p.c.	20 p.c. 17½ p.c. 25 p.c.	30 p.c. 22½ p.c. 25 p.c.	35 p.c. 25 p.c. 45 p.c.
523h	Sailcloth wholly of Egyptian cotton, imported for use exclusively in the manufacture of sails for boats and ships, under regulations prescribed by the Minister and.....per pound	Free	20 p.c. 3½ cts.	25 p.c. 4 cts.	17½ p.c. 2 cts.	20 p.c. 3½ cts.	25 p.c. 4 cts.
523i	Filter cloth wholly of cotton, with cut pile, in the web or made up, imported for use exclusively in mining and metallurgical operations..... and.....per pound	10 p.c.	30 p.c. 3½ cts.	35 p.c. 4 cts.	25 p.c. 2 cts.	30 p.c. 3½ cts.	35 p.c. 4 cts.
537	Rovings, yarns and warps wholly or in part of vegetable fibres, not more advanced than singles, n.o.p., not to contain silk, artificial silk nor wool.....	Free	17½ p.c.	25 p.c.	12½ p.c.	17½ p.c.	25 p.c.
537a	Rovings, yarns and warps, wholly or in part of vegetable fibres, including yarn twist, cords and twines generally used for packaging and other purposes, n.o.p., not to contain silk, artificial silk nor wool..	27½ p.c.	30 p.c.	32½ p.c.	20 p.c.	22½ p.c.	25 p.c.
541d	Canvas in the web, wholly of flax or hemp or both, plain woven, not coloured, not further manufactured than impregnated with weather-proofing or preservative materials, suitable for manufacturing into tents, awnings, tarpaulins, hatch covers and similar articles, weighing not less than 18 ounces and not more than 26 ounces per sq. yard..... and.....per pound	15 p.c.	30 p.c. 3½ cts.	35 p.c. 4 cts.	25 p.c. 3 cts.	30 p.c. 3½ cts.	35 p. 4 cts.
551c	Yarns and warps composed wholly of hair or of hair and any vegetable fibre, imported by manufacturers for use in their own factories.....	Free	17½ p.c.	20 p.c.	Free and	17½ p.c. 15 cts. per lb.	20 p.c. 17½ cts. per lb.
	and.....per pound	.....	15 cts.	17½ cts.	10 p.c. and 7½ cts. per lb.	17½ p.c. 15 cts. per lb.	20 p.c. 17½ cts. per lb.
556	Needled hair felt, imported by manufacturers of felt carpets and carpeting, for use exclusively in the manufacture of such felt carpets and carpeting, in their own factories..... and.....per pound	Free	10 p.c. 15 cts.	10 p.c. 17½ cts.	30 p.c. 18¾ cts.	40 p.c. 32½ cts.	40 p.c. 35 cts.
558f	Rovings, yarns and warps wholly of spun artificial silk or similar synthetic fibres produced by chemical processes, not coloured, imported by manufacturers for use exclusively in the manufacture of cut-pile fabrics, in their own factories..... but not less than.....per pound	Free	30 p.c. 28 cts.	35 p.c. 28 cts.	25 p.c. 28 cts.	30 p.c. 28 cts.	35 p.c. 28 cts.

597b	Harps	Free	27½ p.c.	30 p.c.	20 p.c.	27½ p.c.	30 p.c.
616c	Liquid rubber compound, non-alcoholic, when imported by manufacturers of sealing compounds for cans and jars, for use exclusively in the manufacture of such sealing compounds, in their own factories	Free	Free	Free	15 p.c.	25 p.c.	27½ p.c.
634	(ii) Materials, when imported by manufacturers of artificial feathers, fruits, grains, leaves and flowers, for use exclusively in the manufacture of such articles, in their own factories	20 p.c.	27½ p.c.	27½ p.c.	27½ p.c. and 10 cts.	40 p.c. 10 cts.	45 p.c. per yard 10 cts.
					27½ p.c. and 30 cts.	40 p.c. 40 cts.	45 p.c. per pound 40 cts.
651	Buttons of all kinds, covered or not, and button blanks other than in the rough, n.o.p.; recognition buttons and cuff or collar buttons	20 p.c.	35 p.c.	35 p.c.	20 p.c.	35 p.c.	35 p.c.
	and per gross	5 cts.	5 cts.	5 cts.	5 cts. 15 p.c.	5 cts. 25 p.c.	5 cts. 25 p.c.
651a	Buttons, and button blanks other than in the rough, of vegetable ivory	20 p.c.	35 p.c.	35 p.c.	20 p.c.	35 p.c.	35 p.c.
	and per gross	5 cts.	10 cts.	10 cts.	5 cts. 15 p.c.	10 cts. 25 p.c.	10 cts. 25 p.c.
663d	Soya beans, when imported by manufacturers of milk foods for human consumption, for use exclusively in the manufacture of such milk foods, in their own factories, until September 30, 1934	Free	Free	Free	Free	1½ cts.	2 cts. per pound
685	Pantagraphs and parts thereof, including diamond points, and engraving mills, for engraving copper rollers used in printing textiles and wallpapers; blankets, blanketing and lapping imported for use exclusively by textile manufacturers and wallpaper printers	Free	Free	Free	Free 15 p.c. 15 p.c.	Free 25 p.c. 27½ p.c.	Free 25 p.c. 35 p.c.
709	Articles and other goods, the growth, produce or manufacture of Canada, returned to the exporter thereof after having been exported without having been advanced in value or improved in condition by any process of manufacture or other means; also quick-silver flasks, and other metallic receptacles or holding liquids, oyster pails, and impact registers or recorders for use in railway cars, after having been once exported from Canada	Free	Free	Free	Free 20 p.c.	Free 30 p.c.	Free 35 p.c.
	Provided that the said articles and goods are returned within five years from time of exportation, subject to regulations prescribed by the Minister:						

Tariff Item	—	British Preferential Tariff	Intermediate Tariff	General Tariff	Present Rates		
					B.P. Tariff	Int. Tariff	Gen. Tariff
	Provided also that any article or goods described in this paragraph, upon which an allowance of drawback has been made, shall not be admitted to entry except upon payment of duties equal to the drawback allowed; Provided further that any of such goods or articles manufactured in bond or under Excise regulations in Canada and exported shall not be admitted to entry except upon payment of the Customs or Excise duties to which they would have been liable had they not been exported from Canada.						
811	Ceramic insulator cores, not further manufactured than burned and glazed, printed or decorated or not, without fittings, when imported by manufacturers of spark plugs for use exclusively in the manufacture of spark plugs, in their own factories..	5 p.c.	10 p.c.	15 p.c.	5 p.c. 15 p.c.	10 p.c. 25 p.c.	15 p.c. 27½ p.c.
815	Potato starch or potato flour enumerated in Tariff Item 39 of the Customs Tariff, when imported for use as material in Canadian manufactures, the weight of the package to be included in the weight for duty, until July 31, 1934.....per pound	½ ct.	1 ct.	1 ct.	½ ct.	1 ct.	1 ct.

4. Resolved, that Schedule B to the Customs Tariff, being chapter forty-four of the Revised Statutes of Canada, 1927, be amended by striking thereout Tariff Items 1049, and 1055, the enumerations of goods and the rates of drawback of Customs Duties set opposite to each of the said items, and by inserting the following items, enumerations and rates of drawback of Customs Duties in said Schedule B:—

Item No.	Goods	When Subject to Drawback	Portion of Duty (Not including Special Duty or Dumping Duty) Payable as Drawback
1049	Bituminous coal.....	When imported by manufacturers of coke and converted into coke in their own plants..... Provided that drawback payable under this item is in lieu of drawback payable under any other item.	50 p.c.
1055	*(a)* Materials and Parts, n.o.p.	When used in the manufacture of goods enumerated in tariff items 438a and 438b.....	60 p.c.
	(b) Materials and Parts, as hereunder defined, including all materials or parts wrought into or attached thereto: engines, bodies in the white, chassis frames, hoods, plated radiator shells, splash shields, gas tank shields, gasoline feed pipes, die castings, plated or not, and front and rear fenders, finished or not.	When used in the manufacture of goods enumerated in tariff items 438a and 438b..... (1) Provided, that no drawback shall hereafter be paid under this item unless at least fifty per centum of the cost of producing the finished article, not to include, after September 30, 1931, duties paid upon imported materials, has been incurred in Canada; (2) Provided further, that no drawback shall be paid under this item on importations of any of the undermentioned articles: Anti-squeak braids and strips; axles, front; axles, rear (not to include banjo housing); batteries; bearings, thrust, ball or plain; belts (fan); bodies, painted or trimmed; bolts; brakes, service or emergency; brake lever; brake lining; brake pedals and operating levers; bumpers; bumperettes; cold rolled cowl, roof drip, side and top mouldings; cold rolled running board mouldings, glass channels, belt moulding and hinges; caps (wheel hub); carpets; castings (sand); chassis springs, between frame and axles; circuit breakers; clamps (hood); clevis pins; clocks, stem winding; clutch; clutch pedals; cotter pins; dash liner assemblies; distributors; drag links; drums (wheel); exhaust pipes; electric generators; electric wiring and cables; electric light bulbs; fans (motor); fasteners, carpet and curtain; felt parts; finished strips (window); floor boards (wood); foot rests; forgings, drop, rolled, or pressed; gas tanks; gear shift levers; gear shift lever knobs; glove compartments; hubs; ignition	25 p.c.

Item No.	Goods	When Subject to Drawback	Portion of Duty (Not including Special Duty or Dumping Duty) Payable as Drawback
		coils; jacks; lamps (head, side, tail and dome) but not including lenses; laminated glass; lubrication fittings; mirrors (rear view); moulded rubber parts; mufflers; nuts; paints; lacquers and thinners; propeller shafts; pyroxylin covered or double top fabric, and enamelled oilcloth; radiator cores; robe rails; rubber tubing; running boards; running board covers; rivets; screws; shock absorbers; solder; spark plugs; springs, coil and seat; stampings of metal (except radiator shell, cowl and body stampings); starter switches; starting motors; starting units; steering gears; studs; tacks; tires (rubber); tire carriers; tire covers; tool kit equipment; tops, and curtains for same; transmissions; Universal joints; upholstering fabrics and materials, other than printed fabrics; varnishes; visors; washers, plain; wheels, including hubs and drums; wheel carriers; wheel rims; windlaces; window shades; windshields, complete; windshield frames and metal parts; wood parts for bodies. (3) Provided further, that on all materials and parts used in the manufacture in Canada of the parts enumerated in Proviso. (2) to this Item there shall be payable, when such parts are used in the manufacture of the goods enumerated in tariff items 438a and 438b, a drawback of duty for domestic purposes of.....	25 p.c.
		(4) Provided further, that any claims for drawback that have accrued or may accrue up to and including the 30th day of September, 1931, shall be paid in accordance with the provisions of the Tariff as existent on the 25th day of May, 1931. (5) Provided further, that the Governor in Council may make such regulations, if any, as are deemed necessary for carrying out the provisions of this tariff item.	
1060	Plate glass enumerated in tariff item 322, on which duty was paid at the rates of duty set opposite said item.	When used in the manufacture of safety or non-shatterable glass.....	99 p.c.

5. Resolved, that Schedule C to the Customs Tariff, being chapter forty-four of the Revised Statutes of Canada, 1927, be amended by adding thereto the following item:—

1217	Smoke screen apparatus, for use on motor vehicles or on water-borne craft of all kinds.

6. Resolved, that any enactment founded upon the foregoing resolutions to amend the Customs Tariff or Schedules thereto shall be deemed to have come into force on the nineteenth day of April, one thousand nine hundred and thirty-four, and to have applied to all goods mentioned in the foregoing resolutions imported or taken out of warehouse for consumption on and after that date, and to have applied to goods previously imported for which no entry for consumption was made before that date.

[Mr. Rhodes.]

On motion of Mr. Ralston the debate was adjourned.

MARKETING ACT

ORGANIZATION TO IMPROVE METHODS AND PRACTICES IN MARKETING NATURAL PRODUCTS

The house resumed from Tuesday, April 17, consideration of the motion of Mr. Weir (Melfort), for the second reading of Bill No. 51, to improve the methods and practices of marketing of natural products in Canada and in export trade, and to make further provisions in connection therewith.

Mr. J. L. BROWN (Lisgar): Mr. Speaker, the first speaker after the delivery of the budget undoubtedly suffers some handicap and possibly what I have to say may seem to be somewhat of an anticlimax after the important matters that have been dealt with by the Minister of Finance (Mr. Rhodes). I hope, however, I shall be able to present arguments that may be of some interest why this marketing bill should not meet with the approval of the house.

When I moved the adjournment of the debate last night I had been discussing some of the reasons our cooperative institutions had failed. I was led to do that because of certain remarks that had been made by the Minister of Agriculture (Mr. Weir) in introducing the bill. But despite some apparent failures of cooperatives, I believe there is still hope for carrying on the business of the country and marketing our agricultural produce by means of our cooperative organizations. I was rather surprised at the admission made by the Minister of Agriculture when, although he said that he favoured cooperative institutions, he made this statement:

> I personally believe that in large measure the organized trade, trained as it is in the specialized business of getting the product from the producer to the consumer, is the best and cheapest method of carrying on the business.

In view of the minister's statement that he favoured the carrying on of business through our cooperative institutions, I was surprised that he should have made such an admission. I believe we have some outstanding examples of successful businesses being carried on through our cooperative institutions. I might refer to such companies as the Saskatchewan Cooperative Elevator Company and the United Grain Growers, to my mind two companies that were an outstanding success in rendering service to the grain producer.

It would be very interesting, if we had time, to review the history of those two companies and to show that they were able to function with the minimum of government support. The United Grain Growers which began business as the Grain Growers' Grain Company was entirely voluntary in its organization. It was able to carry on its work and to succeed in spite of the keenest opposition that was offered to it by the railway companies, the grain trade, the banks, and, I must say, some members of this house. I was not in parliament then but I had the privilege of reading Hansard and I recall some of the opposition that was voiced against that company, an opposition led by no less a man than the Minister of Trade and Commerce (Mr. Stevens). Just look at the debates that took place in the house in the year 1920 and see the attitude of that minister toward that great company at that time. The Saskatchewan Cooperative Elevator Company came on the ground somewhat later. Unfortunately it was killed, one reason being, as I pointed out last night, a disposition to pull down something already established and to put something else in its place. The same forces tried to kill the United Grain Growers, but fortunately they were not successful. Those two companies from their very inception had the advantage of being controlled by sound business men, the United Grain Growers first by the Hon. Thomas Crerar and later by Mr. R. S. Law; the Saskatchewan Cooperative Elevator Company by such an outstanding business man as Mr. C. H. Dunning, followed by Mr. Fred. Riddell. I shall, however, not have time to deal with those companies at any length except to say that they were under good business management and were conducted according to sound business principles.

To come to the bill, I am asked what my objections are to it. My objection is that it proposes to set up a bureaucracy that would undertake to regulate the production and marketing of agricultural products. It proposes to give to the minister, acting only under an order in council without any reference to parliament, power to step in and take control of the marketing of any product he sees fit. If there is any doubt on that question let us turn to clause 9 of the bill which has already been read by the hon. member for Comox-Alberni (Mr. Neill). That clause gives to a minister, whoever he may be, power to step in and take under his control the marketing of any product. This to my mind is the most obnoxious feature of the bill; it takes control entirely away from parliament. We are asked to deliver over to a minister and to certain boards that may be set up entire control of the marketing of agricultural products. Are we not going too far in this direction, taking away from parliament the control that ought to rest in it? I am quite willing to admit

that in time of emergency a government may seek power to act during the recess, power which under ordinary circumstances they would not seek. But such power should be reduced to the absolute minimum and in such a case as this nobody will contend that there is an emergency or that there is any reason parliament should divest itself of authority and hand those powers over to a minister or to boards that are set up under this legislation.

But we have been told by those who defend this bill that those powers may not be exercised by the government. All I can say is that no government has a right to ask and no parliament has a right to grant powers that may not be exercised. No doubt this bill will receive the approval of those who have the mania for planning, who labour under the delusion that all activities of agriculture can be made to fit into a plan. To them that term "planned economy" has a very pleasing and comforting sound, it is like the old lady who said the blessed word "Mesopotamia" gave her great comfort. So this idea of planned economy is a very pleasing thought to certain members of this house and to large numbers of people outside. But I think they should give some thought to the question of just how far a planned economy is workable; to plan simply for the sake of planning is not likely to accomplish anything.

This bill has been declared to be a simple bill. Now simple and complex are relative terms. I suppose the binomial theorem is a simple matter to those who are experts in higher mathematics, but it is a very complex matter to those of us whose mathematics do not go beyond the multiplication table. To some the Einstein theory may be simple, but I think that most members of this house would admit that they understand little about it. So as to this being a simple measure I would say that on the contrary it is a very complex one.

Mr. ILSLEY: It is simply appalling.

Mr. BROWN: I am inclined to think, on the other hand, that simplicity would not commend it to the minds of many who seem to see virtue in a thing in proportion to its complexity. There is a disposition to refuse to take simple and obvious means of correcting some of our difficulties, and to seek an elaborate plan. I am reminded of one of Mark Twain's stories, the incident told, I think, in Huckleberry Finn. It may be remembered that Jim, the slave, had been apprehended and locked up in a shanty because he was thought to be a runaway. Tom Sawyer comes on the scene. The fact was that Jim was not a runaway slave, he had already gained his freedom, but Tom Sawyer had a flair for the dramatic and he could not rest satisfied with merely letting it be known that Jim was a free man and not a runaway, so he had to devise some dramatic and elaborate means for securing Jim's escape. I often think that some of our legislators are like Tom Sawyer in that respect.

The minister has given as one reason for supporting this bill the desirability of securing a high class product. We are all agreed that we should have a grading system that will secure a high class product, but we do not need this bill to accomplish that.

Mr. MOTHERWELL: Hear, hear. Nothing to do with it.

Mr. BROWN: We have already established means for the grading of our agricultural products, and I think the Minister of Agriculture, as well as the former minister, will agree that I for my part, and I believe nearly all the members of this house, have given all possible encouragement to the grading system. The only opposition I have heard to grading agricultural products has come from the hon. member for Marquette (Mr. Mullins) and some Tory members from eastern Canada. This bill is not needed to encourage the production of high class products. But when it comes to regulating the production and marketing of our products it is an entirely different matter. This bill proposes to put into the hands of certain boards the power to do two things; or at least to confer upon them the right to attempt to do certain things which I do not believe any man or group of men can possibly do. Those two things are, first to decide equitably as between man and man, community and community and province and province the amount of goods that each shall put on the market. I see there the possibility of great friction, the possibility of difference arising between the provinces that may strain the bonds of confederation. Let us suppose for a moment that the apple growers of British Columbia view a certain course of action as being in their interest, the apple growers of Ontario take another view, and the apple growers of Nova Scotia still another. Let us suppose that they all want to get into the prairie market. As a consumer of fruit on the prairies I want to see that we can get the kind of apples we want. Yet this board which is to be brought into existence is to have the power to say that British Columbia apples can go to such and such a place, Ontario apples to another place and Nova Scotia apples to another place. It may be just

a prejudice but it is an idea that is strongly held on the prairies, especially among those who came from old Ontario, that Ontario apples are just a little better than British Columbia apples.

Mr. BENNETT: What about Nova Scotia apples?

Mr. BROWN: I have not had the privilege of eating many Nova Scotia apples! There was one year in which they came west, and we would be very glad to have the privilege of buying Nova Scotia apples if we find them better than other apples. But under this bill there is the possibility of this board thinking it its duty to attempt to regulate the direction in which apples from these various communities shall go. To my mind that power is fraught with great danger. Then this bill proposes to give to these boards power to regulate the amount that each shall produce and the amount that each shall market. Think of the difficulties involved in that proposition. There is a proposal to-day that each farmer shall be allowed a quota of wheat. What is the first difficulty that arises? Some farmers have not had a crop for four or five years, others have perhaps had fairly good crops continuously, others again have not had a crop for three years, two years or one year. The first thing the board which undertakes to work out this quota equitably comes up against is the question, how is it going to treat the man who has had no crop for four or five years but who may possibly have a good crop this coming year? Is he to be on the same basis as the man who has had good crops continuously? Then when they come to decide what goods shall be held off the market and what shall be allowed to go on the market, there is another difficulty. The Minister of Agriculture knows perfectly well that in the raising of hogs there is a certain point at which the hogs must be marketed, otherwise they are kept at a loss. Who is going to pay that loss? It has been suggested that it may be borne by a pool. But these matters lead to such complication that I do not think it would be possible for this or any government or any board that could be set up to deal with the matter equitably.

The minister mentioned the possibility of the poor veal calf not reaching the market in proper time. If there is one pathetic thing in the handling of live stock it is to hear a calf which has been taken away from its mother bawling in the stock yards. But this bill does not deal with that matter. It does not offer the slightest suggestion as to how the misfortunes or the sufferings of the calf may be relieved. There is no such suggestion in the bill.

When we come to the production of agricultural products we find that the difficulties of control are infinitely greater. Who will undertake to say what the harvest next fall will be from the crop being sown this spring? Who will undertake to determine accurately how much of any given product each man will produce. Whether the production be through the assignment of a quota or a reduction of acreage it will take an army of men to see that these regulations, whatever they may be, are put into effect. Even then, taking into account the uncertainties of the weather, the possibility of hail storms, drought and grasshoppers, and the further possibility that one man may be a better farmer than another, who will undertake to decide between these men, on an equitable basis?

The ACTING SPEAKER (Mr. MacDonald, Cape Breton): The hon. member has spoken forty minutes.

Mr. BROWN: I think I have not. I had twenty-five minutes left.

Mr. CASGRAIN: The hon. member spoke only ten minutes last night.

Mr. GOTT: It does not matter; go ahead.

Mr. CASGRAIN: Go ahead.

Mr. BENNETT: You are not the timekeeper.

The ACTING SPEAKER (Mr. MacDonald, Cape Breton): By unanimous consent the hon. member may proceed.

Mr. BENNETT: It is so seldom that we hear the hon. member I suggest that he be allowed to proceed.

Mr. BROWN: Let us suppose that I have a flock of sheep. All hon. members know that some sheep are very prolific while others are not. One ewe may produce one lamb, others may produce two, and others may have triplets. That is a matter beyond the regulation of mankind. What are we to do with the excess numbers? Are we to kill them? Then, the Minister of Agriculture knows perfectly well the uncertainties in connection with the rearing of little pigs. These are some matters beyond our control.

I do not wish to trespass unduly, but I should like to conclude with only one remark. Perhaps the most obnoxious part of the bill appears at page 3. It is as follows:

> The board shall, subject to the provisions of this act, have power—
>
> (g) to require full information relating to the production and marketing of the natural product from all persons engaged therein and to require periodic returns to be made by such persons, and inspect the books and premises of such persons.

I do not believe our farmers are prepared to submit to such legislation as that. In that connection may I read a short letter written by a farmer to the Winnipeg Free Press:

Eighty miles north of Carlyle there is an Indian reserve. An agent and a farm instructor tell the Indians what to do and how, when and why to do it.

They are told what to plant and how and where to plant it. If they have something to sell they must secure a permit from the agent. If they are short of funds the agent may give them an order for goods on the local store and later he will sell their produce to foot the bill.

How about the farmer under the new marketing Act? Well, he is placed squarely on the "Indian list." If the government chooses to take the farmer—and why should it be embodied in the act if they never intend to use it—every thing I have described as applying to the Indian, will apply to the farmer.

He will not be allowed to raise a chicken, cow or pig or sell a bushel of wheat or a dozen of eggs without a permit from some government agent.

Are the farmers of western Canada going to stand for that kind of treatment? If they do then we can come to but one conclusion, that the government is fully justified in putting them on the "Indian list."

G. W. Stockton.

Carlyle, Sask., April 10, 1934.

I am prepared to go a certain distance to meet a situation such as has developed in British Columbia in connection with fruit. Recognizing as I do the rights of majority control, I am prepared to go some distance in that regard, although I do not like to interfere with personal liberty. In view of the situation which has developed in that province, if by a large majority the fruit growers are willing to do certain things and they obtain the sanction of the provincial government, as a member of this House of Commons I would be willing to go as far as our constitution will allow to give them the right to handle their produce in the manner they themselves have decided it should be handled. I am willing to go that far. Then, if a majority of the farmers on the prairies decide to adopt some kind of board to control their live stock or their dairy produce, while as a citizen of Manitoba I might and undoubtedly in some cases would object, as a member of this house I should feel obligated under the circumstances I have described to give them the right to do so. That is an entirely different thing, however, from beginning at the top and giving to this or to any government or any board the right to take all these matters under its control. I am entirely opposed to parliament resigning its powers into the hands of any board or executive.

Reference has been made to the British Marketing Act. I am not going to say I am in favour of that act. England is a country entirely different from Canada, and the circumstances obtaining there are quite different from those obtaining in this country. That which may suit England, a small compact country, may not suit us at all. Therefore at the moment I am not prepared to say that I would support legislation in this House of Commons simply because it followed closely the British marketing legislation. I am prepared, however, to take specific cases as they arise and to deal with them as the circumstances demand. I am not prepared to throw over our established method of doing things and at once to institute a new method. I believe in orderly progress, here a little and there a little, dealing with situations as they arise. That to my mind is the attitude which will commend itself to the people of Canada.

Mr. F. H. PICKEL (Brome-Missisquoi): Mr. Speaker, I wish to congratulate the government on the attitude it has taken as reflected in the marketing bill now before the house. For two or three years we have been talking about arrangements which should be made for the orderly marketing of our produce. We are now trying to put through this house a bill which will bring about that which we desired. Several lawyers opposite have expressed their opinions, and we have had opinions from other hon. members opposite who know nothing about marketing or the conditions under which the eastern farmers operate. They are familiar with the selling and marketing of wheat, but they are totally ignorant of and do not understand the facts and conditions affecting the marketing of the produce of eastern farmers.

Some members of the opposition have spoken of this as a bill with teeth in it.

Mr. MERCIER (St. Henri): False teeth.

Mr. PICKEL: We require a bill with teeth in it, double teeth all around in both jaws. At the present time the packers and the commission men have absolute control of the marketing of the farmers' products in the east, and anything that can be done to take control out of their hands I am willing and glad to support. The minister distinctly stated when introducing the bill that he did not regard it as perfect, but that it was a beginning. I should like to know what kind of bill could be brought in by the minister or by anybody on this side of the house that hon. gentlemen opposite would agree to. They have not agreed to a single clause of this marketing bill; they have found fault with it all.

I just want to give a few facts that I know. This criticism from the other side of the house is simply for political purposes. The hon. member for Lisgar (Mr. Brown) stated a few moments ago that we have grading acts at the present time and he knew of no one who was opposed to them except perhaps the hon. member for Marquette (Mr. Mullins) and eastern farmers. Well, Mr. Speaker, I am an eastern farmer and I am opposed most strongly, not to the grading acts themselves, but to their administration and operation. That is what I am opposed to.

Because of the grading acts and because of the arbitrary action of the packers and commission men in the cities the price of eggs, for example, fluctuates. When the farmer has none to sell the price is high, but during the producing season all summer the price is depressed. I contend that the price of a dozen eggs or a pound of butter in this country should never go below twenty-five cents. The price should be more or less uniform. Why should the price be depressed?

In the spring of the year when the farmer begins to produce butter, which is his chief commodity, the commission men and the packers arbitrarily depress the price and keep it depressed all summer just so long as the farmer is producing, and while the price is kept low they fill up their warehouses. But the minute the farmer stops producing, up goes the price, and butter will be selling at forty cents a pound and eggs at fifty cents a dozen when the farmer has none to sell. That is the condition of the eastern farmer, and I say that these marketing conditions should be regulated. The packers in the cities know perfectly well that on all the butter and eggs they buy during the summer they are going to double and treble their money. In this country we consume all the butter and eggs that we produce. We are not exporting butter and eggs, and why should the packers be allowed arbitrarily to depress prices to suit their own purposes, in order to make millions next winter? You will see that they will repeat the old trick pretty soon now; you will see butter and eggs soon go down to the lowest point. Eggs will be selling for ten or twelve cents a dozen this summer and the packers will be filling up their cold storage warehouses at that price. That is what the farmer is up against. And the packers will buy butter at fifteen and sixteen cents this summer and sell it at 30 to 35 cents a pound next winter. Is there any justice in that? Do we not need a marketing board? I should think we do, and one with teeth in it.

The condition of the eastern farmer is almost as bad in marketing beef and meat products as it is with respect to butter and eggs. The man in the city does not realize it. He gets his meat at very reasonable prices, but the man in the country pays right up to the hilt.

Mr. MERCIER (St. Henri): What about the man in the city?

Mr. PICKEL: You can get it much cheaper than I can get it in my village where we are producing the goods; you can get it twenty-five to thirty per cent cheaper. If a man in the eastern townships has a beef animal to sell he cannot sell it to the local butcher because there is none; the local butcher has been put out of business by the packers. The small local butcher might operate for a little while until the packer comes along and puts somebody right down beside him and gives him his meat until the other man is put out of business. That is what they are doing. I tell you straight that I can go on St. Catherine street and buy meat products twenty-five to thirty per cent cheaper than I can in any small village in the east.

Mr. MERCIER (St. Henri): That must be the cheaper meats.

Mr. PICKEL: Every kind of meat, fish and everything. In the larger towns like Granby, Waterloo and Farnham, where there is some competition provided by the Dominion stores and Atlantic and Pacific stores, prices are a little more reasonable, but in the smaller towns where there is no competition and the packer has control we pay right up to the hilt. The farmer cannot sell his beef animals to the butcher; he has to sell them to the local agent of the packer, who transports them to Montreal where they are slaughtered, and we have to pay the transportation charges in and out, and one or two abattoir charges are charged back to us.

Mr. YOUNG: Is this bill going to remedy that?

Mr. PICKEL: The packer is the cause of it all.

Mr. CASGRAIN: Is this bill going to fix that up?

Mr. PICKEL: It should. Let us try it. I am willing to try anything.

Last session I introduced a resolution into this house on behalf of the United Farmers of Danville in the province of Quebec in regard to the sale of reactors. I want to say a word or two on that subject. The request at that time was that all these reactors should be sent direct to the fertilizer factory. Let me give the house my experience. In 1928

or the early part of 1929, on one of my farms I lost five head of cattle. They were large Holsteins. A neighbour also lost five cattle, but his were common grade cattle. They were were not nearly as large as mine and not in as good condition. His cattle and mine were sent to Montreal on the same day. This neighbour of mine telephoned to one of the inspectors of the department in Montreal and told him that he was shipping cattle. He asked him to go down to the abattoir to see that he got somewhere near their value. A man was sent down and this neighbour received $25 per head for his five head. My five head went through the local dealer; I had no one at the abattoir and I received only $24 for the five.

Mr. YOUNG: Exactly the same cattle?

Mr. PICKEL: Mine were better. In July last year a neighbour of mine sold a three year old heifer for beef. He was sending milk to the city and he feeds all his cattle quite heavily. At the same time he was selling two or three hogs and some young cattle. When he got to Montreal the buyer came round to look at his animals and the price offered for the hogs and calves was quite acceptable. He then asked about his heifer and the dealer said he would pay $20 for the animal. Under the rules I could not repeat the language of the owner of the heifer when he heard the price offered. He said, "Are you trying to be a philanthropist, or what"? The dealer told him he considered the animal was worth more than $20 but that they had to sell the animal. That is the position they take. Last December I lost four head on another farm and all I could get was $4, just enough to buy a can of disinfectant. That is the position we in eastern Canada are up against. I do not know anything about the wheat situation and I am sorry that the wheat market is as it is. I do not know whether this proposed marketing board can help out in disposing of the wheat, but I do know that it can help in eastern Canada to dispose of everything that we produce.

The hon. member for Lisgar referred to the grading acts, and it is these very acts that these people take advantage of. I am not against grading; I believe our goods should be graded, but I do object to the manner in which these grading acts are used by the middleman in order to beat the farmer. I have mentioned already the case of eggs which I returned to Montreal. That could be repeated any day. You can send into the city and get a case of eggs and then when you send it back you will not get more than half what you paid for them; the grading will be depressed by fifty per cent. Such a condition of things should be readjusted. The hon. member for Lisgar said that there was no emergency and that the powers granted under this act were too great to be given to any board. I contend that emergency exists and has existed for some time.

The principal products of the farmer in the east are milk, cream, butter, eggs and pork. I think we are in a fair way to getting some adjustment in the matter of milk and cream. I understand a milk commission has been appointed in Ontario. We have one in Quebec which has power to set prices. The Minister of Agriculture for Quebec is to be highly commended for this action. We believe that the farmer will now get a fifty-fifty division of the consumer's dollar. I do not know what is going to be done in Ontario. As far as butter and eggs are concerned, the farmer does not get a fair deal and these are two of his principal products.

While I am on my feet I might say that I have always advocated the manufacture of more cheese and less butter, and I should like to tell the house why I am of that opinion. The price of cheese is regulated on the British market, but the price of butter is fixed in Montreal. The eastern townships farmer who sends his milk to a creamery does not receive more than fifty per cent of its value. The creamery does its own testing and weighing and the farmer has not a chance. Here is an instance of the way we are treated. Three years ago I was sending cream from one of my farms to a certain creamery and it was testing 35 per cent. The creamery changed hands and within six months the test had dropped to 22 per cent. I said to the man on the farm, "Joe, they are stealing your cream." He said, "I know they are, but what can we do about it?" I told him that I would have a different truck come into my yard every day or every week if necessary. Without my knowledge he sent his cream to Eaton's in Montreal and the first test showed 42 per cent. During the past two years it has never been below 40 per cent. That is what the farmer in the east is up against.

There is a contention which I have made before to which many take objection, namely that we make the poorest butter that reaches the British market. We are in a fortunate position in that we do not export any more than we import; we are able to consume all the butter that we can manufacture. I contend that in the east we should manufacture cheese entirely and let the west supply us

with butter. They make a good article, and butter manufacture adapts itself to the west. Milk is rather bulky, and as their factories are sparsely situated they would be able to manufacture butter much easier than cheese. As I said before, the price of cheese is regulated on the British market and we always receive a premium for our product. In 1903 or 1904 we sent over 247,000,000 pounds of cheese while last year we sent only about 70,000,000 pounds. If we are not careful we are going to lose our cheese market. In 1903 or 1904 New Zealand sent hardly any, while last year they sent 250,000,000 pounds; they have taken our place as far as quantity is concerned, but we still maintain our position as far as quality goes —we still obtain a premium on our cheese. It is hard for one man to go about the country and talk the farmers into making cheese. I do all I can, but I think the government should initiate a campaign throughout eastern Canada advising the farmers to make cheese. Instead of that, however, all governments for the past twenty-five years have advised the farmers to make butter, and especially to go into winter dairying. I never knew a man in this country to make a cent in winter dairying; it takes all summer to pay their winter grain bills. You cannot make money in the winter in this country in making butter.

I hope this marketing bill will extend to the grain business. We pay $24 or $25 a ton for bran while you can hardly give away wheat in the west. Someone is getting a great rake-off. Practically 95 per cent of the mill feed coming to Montreal from Fort William and Port Arthur comes by water; the water rate is 22 cents per hundred pounds while the rail rate is 44½ cents. Yet when a farmer comes to Montreal for a car of mill feed he pays the 44½ cent rate for it. The millers are exacting $4 on every ton they supply to the farmers. That is not right; it is not just, and I hope this situation will be remedied under this bill. It would be a great help to us and would also help the western farmers to get rid of some of their mill feed and wheat.

I do not think I have anything more to say, Mr. Speaker, with regard to this bill, though when it is considered in committee I will gladly take part in the discussion of the various sections. In introducing the bill the minister stated that perhaps it was not perfect, so some objection may be raised to some of the sections. I do not see, however, any reason for the wholesale onslaught that we have witnessed from the other side. It is unreasonable, and I cannot understand it. It has not come from farmers; not a farmer across the way has had anything to say about it.

Mr. YOUNG: What about the hon. member for Lisgar (Mr. Brown)?

Mr. PICKEL: The hon. member for Lisgar is not a farmer; he is a wheat miner.

Mr. BROWN: May I ask my hon. friend what he thinks constitutes a farmer?

Mr. PICKEL: The hon. gentleman may keep two or three cows, but probably they are dry most of the time.

Mr. J. A. BRADETTE (North Timiskaming): I offer no excuse for taking part in this debate, Mr. Speaker; I do not feel that I need apologize to the hon. gentleman who has just taken his seat. It seems to me that every time the opposition discusses questions of national importance we are accused of doing so for political reasons. The hon. member for Brome-Missisquoi (Mr. Pickel) made the same suggestion, but I feel quite at ease in discussing the bill which is before the house. I do not think hon. gentlemen opposite should cast such reflections on the opposition; they always do so for political effect.

An hon. MEMBER: Sure.

Mr. BRADETTE: I challenge the hon. gentleman who just spoke to name one instance where that has been the case.

Mr. PICKEL: I think all the opposition that has been expressed to this bill up to the present time has been for political effect.

Mr. BRADETTE: That is certainly a nice statement for a member of parliament to make on the floor of this house; that is a reflection on all the representatives here, because it applies to every hon. member.

As a retailer in the town of Cochrane for a quarter of a century I am going to deal with the statement made by the hon. member for Brome-Missisquoi to the effect that the packers are trying to put out of business the retailers and small butchers. I have handled meat, but I yet have to see a packer try to put out of business a single retailer in northern Ontario. I hold no brief for the packers; I have tried to pay my bills, though they charge as much as they can, but I must say that in my opinion the hon. member has no right to insinuate that in any section of the country the packers have tried to put the small butchers out of business.

Following the words of the minister in introducing the bill, every hon. member, whether on this or on the other side of the house, is perfectly in order in giving his views on this legislation, so that the bill may be in proper form when it is reported by the committee. At page 2205 of Hansard the minister said:

I had hoped that there would be little controversy in connection with this bill. No one realizes and appreciates more than I do the fact that it is far from perfect.

Surely that is an invitation to discuss the bill. There are two kinds of criticisms, destructive and constructive, and I challenge any hon. member opposite to say that the criticism that has come from this side of the house has been destructive. Surely the speeches of the hon. member for Last Mountain (Mr. Butcher), the hon. member for Hants-Kings (Mr. Ilsley) and the hon. member for West Edmonton (Mr. Stewart) could not be said to contain destructive criticism. I repeat that hon. members are absolutely within their rights in discussing the merits of any bill. I remember that in the fall of 1930 it was said that the Prime Minister had to attend the imperial conference and we were urged to put the legislation through as quickly as possible. The same situation has existed on other occasions; scourges have been held over our heads to prevent us from discussing matters of national importance. That is why I, as the humble representative of the riding of North Timiskaming I intend to present the viewpoint of the consumer, and I do not apologize for doing so. The minister said, at another place:

The first is that it must be sound, the second that it must be simple of operation, and the third that it must be practical.

Surely two hundred and forty-five men, elected by the electors of this country, have as much right to advise the Minister of Agriculture as the experts, whether in agriculture or in industry, who have been advising him for at least two months, especially since this discussion was invited by the minister himself when he presented the bill. In the last paragraph of the minister's speech I find these words:

I do trust, however, that this bill will be discussed in the spirit in which it is presented. In its preparation we have endeavoured to obtain all the points of view possible so far as the organized producers were concerned, at the same time discussing it frankly and freely with those whose business primarily has been that of marketing.

Surely, then, I have the right to present the point of view of the consumer. It is true that in my section of the country we have

primary producers, but they are mainly engaged in the mining industry and farming, so this bill does not apply to them. It is true that a certain number of our population have graduated from the ranks of settlers to become farmers, but they are not in a position as yet to export anything to other countries. But we are all consumers, and our point of view apparently has not been considered in connection with this bill. Apparently the consumers have not been asked what they think of the bill; apparently the consumers have not advised the government or the minister in connection with the act. Representing a section of the country where we are all practically consumers I know from my past sad experience that when any new restrictions or regulations are imposed by the government we in northern Ontario have to pay the piper as a result. I well remember some restrictions which were imposed by this government—

Mr. PICKEL: Would the hon. gentleman allow me a question? Is there anything political about his speech now?

Mr. BRADETTE: Certainly not; I have the right to represent my own riding.

Mr. PICKEL: You are living among consumers.

Mr. BRADETTE: I have some knowledge of farming, but I am giving the viewpoint of the consumers. I maintain that in this bill there should be incorporated the viewpoint of the consumer. I well remember when I was sitting on the government side the ridicule that was often cast upon the so-called Consumers' League, because the consumers had the audacity to be represented before the tariff board. Surely on such an important matter as this new legislation which is so sweeping in its character and which goes to the very root of the national and personal life of practically every citizen in Canada, the consumer should have been asked for his advice.

Again I repeat that so far as the mining sections, the northern sections of the three western provinces and practically the whole of British Columbia are concerned, any new regulation that is imposed upon any of our activities, whether mining or farming or otherwise, means simply another load put upon the shoulders of the consumer. Some hon. members might be astonished if they knew the prices we have to pay in nothern Ontario since the seasonal tariffs were put on imported fruit and vegetables, and they would be more surprised at the price we have to pay for Canadian fruit. The price is simply ridicu-

lous and unless people are well to do they find it impossible during the winter months to buy lettuce, celery and other foods that are supposed to be good for the health of the people at such a season. It all amounts to this, that in a bill of this character apparently—and I say this in all sincerity—the viewpoint of the consumer has not been considered.

No doubt a certain amount of good could be said about this legislation, and I repeat that it shows a trend of thought which has been in progress for the last ten years not only in Canada but throughout the civilized world. We are speaking more and more of planned economy and in terms of government interference in all activities; in fact, if one studies the movements and revolutions that have occurred in Europe, their origin has always been with the idea in the minds of the mass of the people that the capitalistic or industrial system had been so faulty that the controlling authority which would be set up through those evolutions should take upon itself the responsibility of all social and national activities. The same thing applies to some extent to this bill, and again I want to make myself very clear in this, that I believe the intent of the bill is good. There is no doubt in my mind that the capitalistic system has failed and at the present time it is having to bear the results of its own sin. I have no doubt that the citizens of this country worthy of the name are willing to give a very thorough study to this bill and this is also true of every newspaper, every institution, every one of our provinces and every one of our premiers; they have already made comments on the bill. Therefore any hon. member, whether on the government side or in the opposition, is entitled to voice his opinion, always with the one idea in mind that out of this measure something tangible will emerge that will give the people greater prosperity and comfort than they have had.

Some comparisons have been made between this bill and the British Agricultural Marketing Act of 1931. There are some slight similarities, but as has been so well pointed out by the hon. member for Last Mountain (Mr. Butcher) and the hon. member for Hants-Kings (Mr. Ilsley), those similarities are not so great as to justify the impression being created that the same marketing bill they have in England would be good in Canada. The reason for this is very simple. In Great Britain they have only one central government, one that is all-powerful so far as national legislation is concerned, while here we do not have the same situation. Here we have provincial governments, and we cannot get over the fact that they are already in existence. There has already been discussion of the bill by some of the premiers, some being in favour of it and others against it. Therefore it is obvious that conditions surrounding the creation of the two bills are entirely different, and for the reasons I mentioned a few moments ago the British act would be impossible of application in this country.

We must not get away from the fact that the Hon. Mr. Elliot, Minister of Agriculture in Great Britain, is in a different position from our Minister of Agriculture (Mr. Weir) so far as the farmers are concerned. Mr. Elliot wants to make Great Britain self-sustaining as regards the products of the farm while in Canada we are faced with a different situation; here our farmers find themselves in the position where they have a surplus which must of necessity be exported, whereas in Great Britain they have no surplus, but a shortage. Thus, in discussing this bill we must see that we are on firm ground and not try to make comparisons too closely.

After reading the bill very carefully several times and after having studied throughly the N.R.A. of the United States, I believe that there is between the two a number of similarities; in several clauses the wording is practically the same, but the difference is this: the N.R.A. goes into all the activities of the United States while our marketing legislation singles out only certain activities of our national life, chiefly agricultural; it leaves out entirely mining, the automotive industry, cottons and other textiles. In a word, it leaves out the industries as we understand and know them. I am not aware of the reason for that. Is it because the government have thought, perhaps wisely, perhaps unwisely—this is not for me to say now—that by the high tariffs they have given to those industries, those sheltered industries, for the last four years, they have done all they can for them while during all that time the farmers have been left to look after themselves, and that this legislation is to be a sop for the farmers. That question I will leave the house to answer. The similarity between the present bill and the N.R.A. holds good only so far as the farmers are concerned. If the government contend it is such a good measure as the minister says it is going to prove; if it is so good for the farmer, the fisherman and the lumberman, why is the miner left out and why should the same principles not be applied to all our national activities? That I do not know.

In this discussion we should not get away from the fact that the present bill is no more and no less than planned economy. Everyone knows that the capitalistic system has sinned, but we should also remember that the capitalistic system has proven to the world that through its inventions, its ability of administration and management it could supply all the requirements of the civilized world. Surely to-day the same men who were responsible for that situation, who could develop the creative power of producing plenty should at this time without any drastic measure be able to do their part in the national scheme without compulsory power being given to certain men or boards, and they certainly should be Canadians enough to give a lead to this country during the present time of stress.

The hon. member who preceded me has cited several cases of butter, eggs, meat, cattle and so on, where he has told us there were inspections and over-inspections. So to-day we have machinery sufficient to a large extent for a planned economy, but the trouble is that no matter how many laws are put on the statute book, no matter how many regulations you may have, if the government has not the energy and sincerity to enforce them they remain a dead letter. That applies to this measure; unless the government is ready to see that it has full application.

In every section of this country there has been a deep interest in and serious discussion of this bill. This morning I received a letter which I believe was sent to every member of parliament by the chamber of commerce of Montreal, asking the government to make certain amendments to this bill. Again it comes to the point I mentioned a moment ago; surely if chambers of commerce, cooperative and other organizations, find it desirable to advise the government on such matters, it is the bounden duty of members of parliament in their humble way to present to the government their views on this very important measure. Therefore I want to speak briefly of certain features of this bill, features which in themselves may seem practicable and fairly innocent, but I believe this is the time and place to bring forward any amendments which to us seem desirable. In fact the minister in his admirable speech in introducing it left the door wide open for full discussion, he was quite open-minded, he said the bill was not absolutely perfect, that it might involve some anomalies. Take for example subsection 2 of section 3:

> The board shall consist of such number of persons as the governor in council may from time to time determine, and such member shall hold office during pleasure and shall receive such remuneration as the governor in council shall determine.

The hon. member for Lisgar (Mr. Brown) has dealt with that. It simply means that in a matter of such national importance the power of control is taken from the parliament and given to a board. That is not the British parliamentary system as we understand it. Some hon. members may say that in Italy they have something similar to that, but Italy is under a dictatorship while in Canada the government is still supposed to be controlled by the representatives of the people. The point so well presented by the hon. member for Lisgar is that it would simply mean that in practice all our social and industrial activities will be taken out of the control of parliament. The members of this assembly are elected to represent the people, their wishes and their sentiments, but by this bill the control of some of our most important national activities will be taken away from this forum. Take again subsection 5 of section 3:

> The board may, with the approval of the governor in council, employ such technical, professional and other officers and employees as the board may deem necessary or desirable, and such persons shall receive such salaries or remuneration as may be fixed by the board with the approval of the governor in council.

That again is invading a field which should not be invaded. The agricultural marketing act of Great Britain is in a different situation in that respect. The hon. member who preceded me has shown that we have inspection and overinspection as far as primary production is concerned, there are too many inspectors at the present time trying to advise the producers. Yet over and above the existing machinery this bill proposes to erect another board with another set of officials; it is certainly bureaucracy with a vengeance. Our provinces have machinery for looking after these matters, there are marketing boards and cooperative societies in many sections of the prairies; we have the national research council which has cost millions of dollars and is doing good work. What would be the necessity for that organization under this board? It would seem that it would have to come under it or practically not function. I believe that section should be entirely struck out. Overlapping of that nature would cost the ratepayers of this country a lot of money. It would do nothing to lessen the price to the consumer or increase the profit of the producer. I have no grudge against government employees, but we must avoid bureaucracy, and any overlapping by

new regulations will simply mean added cost to both consumers and producers.

Then subsection 9:

The governor in council may from time to time authorize payment to the board, out of the consolidated revenue fund, of such sums of money as may be necessary for the purposes of this act.

Anyone who has studied the British parliamentary system will realize that here again one of the most important prerogatives of parliament is taken from it by that provision. I see the right hon. Prime Minister smile.

Mr. BENNETT: Certainly!

Mr. BRADETTE: Is it not true that this board is going to take money out of the public funds without the sanction of parliament?

Mr. BENNETT: There is no legislation that does not involve a curtailment of the unrestrained and unlimited liberty of everyone. That is what parliament is for.

Mr. CASGRAIN: But subject to the control of parliament.

Mr. BRADETTE: If this board is all powerful, is to function by itself without the sanction of parliament, it will be using the public funds which should be under the exclusive control of this parliament; there is no avoiding that fact.

At six o'clock the house adjourned without question put pursuant to standing order.

Thursday, April 19, 1934

The house met at three o'clock.

OATHS OF ALLEGIANCE ACT

Hon. C. H. CAHAN (Secretary of State) moved for leave to introduce Bill No. 57, to amend the Oaths of Allegiance Act.

Some hon. MEMBERS: Explain.

Mr. CAHAN: Mr. Speaker, on March 13 last the hon. member for Quebec East (Mr. Lapointe), the former Minister of Justice, introduced a bill with the same title, "An Act to amend the Oaths of Allegiance Act." Since that bill was introduced and printed further consideration has been given to its terms, with the result that a slightly modified bill has been prepared, which was submitted to the hon. member for Quebec East before its introduction into this house and which has, I think, received his approval. He has already given notice to the house that he is withdrawing the bill introduced by him on March 13 in order that this bill, which is a modified form of his own, might be considered favourably by the house.

The hon. member for Quebec East, referring to the circumstances under which his own bill was introduced, made a brief reference to the proceedings of the imperial conference of 1926 of which he and the right hon. leader of the opposition were both members. The summary of proceedings of that imperial conference contains the following passage:

The title of His Majesty the King is of special importance and concern to all parts of His Majesty's dominions. Twice within the last fifty years has the royal title been altered to suit changed conditions and constitutional developments.

The report recites the title of His Majesty which was adopted by royal proclamation in 1901, and then proceeds:

Some time before the conference met it had been recognized that this form of title hardly accorded with the altered state of affairs arising from the establishment of the Irish Free State as a dominion. It had further been ascertained that it would be in accordance with His Majesty's wishes that any recommendation for change should be submitted to him as the result of discussion at the conference.

We are unanimously of opinion that a slight change is desirable, and we recommend that, subject to His Majesty's approval, the necessary legislative action should be taken to secure that His Majesty's title should henceforward read:

"George V, by the Grace of God, of Great Britain, Ireland and the British Dominions beyond the Seas, King, Defender of the Faith, Emperor of India."

On March 12, 1927, the parliament of the United Kingdom, in order to carry into effect the resolution of the imperial conference of 1926, passed the Royal and Parliamentary Titles Act, 1927, which appears in the imperial statutes as 17 George V, Chapter 4, Section 1 of this act reads as follows:

It shall be lawful for His Most Gracious Majesty, by his royal proclamation under the Great Seal of the Realm, issued within six months after the passing of this act, to make such alteration in the style and titles at present appertaining to the crown as to His Majesty may seem fit.

Thereafter, on May 13, 1927, a royal proclamation was issued under the Royal and Parliamentary Titles Act providing that His Majesty's style and titles in the English tongue should thereafter be: "George V, by the Grace of God, of Great Britain and Ireland and of the British Dominions beyond the Seas, King, Defender of the Faith, Emperor of India." Since 1927 that style and title has been adopted in Canada and throughout the British dominions in all administrative acts,

but the fact that that is not the title prescribed in the Oaths of Allegiance Act of Canada apparently escaped notice until the hon. member for Quebec East brought it to the attention of parliament, and introduced a bill to rectify that anomaly.

At the same time it has appeared expedient that the oath of allegiance in Canada should conform in its terms to the oath of allegiance which was adopted in the United Kingdom in 1868, and which has been adopted in South Africa, Australia and I presume in New Zealand, although I have not had access to the New Zealand statutes. That form of oath is the form suggested to be adopted in the bill now to be introduced.

The anomaly that our oath of allegiance should differ from that which has prevailed in the United Kingdom since 1868 led me to make some interesting researches. I found that the present oath of allegiance presently prescribed in the revised statutes of Canada was adopted by the parliament of Upper Canada on February 13, 1833, by chapter 12 of 3 William IV. In looking into the circumstances under which the statute was passed, I find that that was a time of civil strife and turmoil in Upper Canada. Upon the union of Upper and Lower Canada in 1840 the oath which had been adopted in Upper Canada was no longer the oath for the united Canada which came into existence in 1841. The year 1849 was also a time of tumult, civil commotion and excitement and the legislature of old Canada re-enacted in 1850, chapter 18 of 13 and 14 Victoria the form of oath which had been adopted in Upper Canada in 1833.

When the British North America Act was passed in 1867 an oath was prescribed therein in schedule 5 by section 128 of that act. This was a simple form of oath to be taken by senators and members of parliament and did not conform to the somewhat elaborate oath which had been contrived in 1833 in Upper Canada and in 1850 by the legislature of united Canada. The British parliament declined to adopt that form of oath. In 1868 the British parliament by special statute, 31-32, Victoria, chapter 72, which came into force on July 31, 1868, a year after the British North America Act, 1867, was enacted prescribed a form of oath to have effect in the United Kingdom of Great Britain and Ireland and throughout the British dominions in so far as the legislation of the Imperial parliament had force and effect. This simple form of oath prescribed in Great Britain in 1868 is:

I, ..., do swear that I will be faithful and bear true allegiance to Her Majesty Queen Victoria, Her Heirs and successors according to law. So help me God.

[Mr. Cahan.]

There was a provision in this statute that upon the demise of the sovereign, the name of the reigning sovereign of the time should be inserted for the name of Her Majesty, Queen Victoria. This is the oath of allegiance which is prescribed in the United Kingdom and in all the colonies of the empire and the same form has been adopted in Australia and South Africa. It seems expedient that this dominion should adopt the same form and this is what is proposed in the present bill.

The bill provides for two exceptions. There is a slightly different form of oath to be taken by members of the House of Commons and the Senate, which is prescribed by section 128 of the British North America Act, 1867, and the fifth schedule thereto. We have no authority or at least we do not propose to amend the British North America Act, and therefore we except that act in this proposed legislation. We have excepted also the simple form of oath which is prescribed in our Naturalization Act, which act is similar to the naturalization act of the United Kingdom. The same form of oath is prescribed in the naturalization acts of South Africa and Australia.

There is one other simple provision. Several statutes of this parliament contain special oaths of office to be taken by special officials. I am informed that when other officials are sworn in, it has been the custom for the clerk of the privy council to improvise such a form of official oath as he deemed expedient under the circumstances. There is in this bill a provision that from time to time the governor in council may prescribe oaths of office, which have not been expressly provided for by parliament, when new offices are created and it becomes necessary to administer oaths of office to the appointees to such offices.

Motion agreed to and bill read the first time.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

STE. ANNE DES MONTS, QUE., PUBLIC WORKS

Mr. BRASSET:

1. What amounts did the Department of Public Works expend at Sainte-Anne des Monts, county of Gaspe, during the year 1933-34?
2. What are the particulars of such expenditures?
3. What works were carried out?
4. How many workmen were employed in connection with each of such works?
5. What was the salary of the superintendent of such works?
6. Who superintended such works?
7. What salary was paid to the workmen?

Mr. STEWART (Leeds):

1 and 2. Repairs to wharf, $1,048.04; repairs to training pier, $1,502.18.

3. Wharf—fenders replaced on the east side at outer end, 4-inch hardwood sheathing placed, and some cross and longitudinal ties with vertical posts renewed. The north-eastern corner, damaged by the ss. Cape Gaspe, was also repaired. The Clark Steamship Co., owners of this vessel, reimbursed the department to the extent of $589.57.

Training pier—sheath piles replaced and driven along the east face.

4. Wharf—12 men, including foreman; pier—60 men including foreman.

5. 50 cents per hour, less 10 per cent.

6. Wharf—Luc Marin, foreman; pier—Thomas Lepage, foreman.

7. Carpenters, 37½ cents per hour, less 10 per cent; labourers, 30 cents per hour, less 10 per cent; carters, 45 cents per hour, less 10 per cent.

UNEMPLOYMENT RELIEF, PUBLIC WORKS

Mr. LAFLECHE:

What is the total sum paid by the Dominion government since 1930 to date in the counties of Richmond-Wolfe, Compton, Shefford, Stanstead, Brome-Missisquoi, Chateauguay-Huntingdon, in connection with public works and by way of contribution under the Unemployment Relief Act?

Mr. DUPRE:

Richmond-Wolfe	$ 71,948 50
Compton	49,921 26
Shefford	55,844 20
Stanstead	40,082 64
Brome-Missisquoi	21,539 96
Chateauguay-Huntingdon	1,458 00
Total	$240,794 56

In addition to the above, there was approved, under the Unemployment and Farm Relief Act, 1931, a schedule of works providing for repairs to bridges in the following counties: Chicoutimi, Compton, Deux Montagnes, Dorchester, Drummond, Gaspe Sud, L'Assomption, Matane, Megantic, Soulanges, Kamouraska.

The dominion contribution in this respect was $9,493.67, but it is not possible from the accounts received to determine the amounts chargeable to each county.

Also, under the Unemployment and Farm Relief Act, 1931, there was approved a schedule providing for the painting of bridges in the following counties: Arthabaska, Argenteuil, Bagot, Bellechasse, Bonaventure, Champlain, Chateauguay, Deux Montagnes, Kamouraska, Laprairie, L'Assomption, Megantic, Montmorency, Papineau, Soulanges.

The dominion contribution in this respect was $4,999.81, but it is not possible from the accounts received to determine the amounts chargeable to each county.

UNEMPLOYMENT RELIEF, DISRAELI, WOLFE COUNTY

Mr. ROBERGE:

1. What amounts have the government expended at Disraeli, county of Wolfe, for direct relief, works, etc., from September 30, 1930, to March 31, 1934?

2. What were such works?

3. What amounts have been expended for each of such works or contracts?

4. What amounts have been expended yearly by the government for all works carried on at Disraeli?

Mr. DUPRE: 1, 2, 3 and 4. Disraeli village, Wolfe county.

Unemployment Relief Act, 1930—	
Public works: Bridge and embanking repairs to aqueduct	$2,100 00
Direct relief	177 50
Unemployment and Farm Relief Act, 1931—	
Public works: Stone filling bridge approach	3,159 77
Direct relief	129 78
The Relief Act, 1932—	
Direct relief	405 58
The Relief Act, 1933—	
Direct relief	154 77

BUTTER IMPORTATIONS

Mr. GIROUARD:

1. How many pounds of butter were imported from Australia, since August 1, 1930, to date?

2. What customs duty per pound was levied with respect to such imports?

Mr. MATTHEWS:

Imports of Butter from Australia Entered for Consumption in Canada from August 1, 1930, to March 31, 1934, with Rate of Customs Duty Applied and Amount of Duty Collected

	Lbs.	Rate of duty applied	Duty collected
August 1, 1930, to March 31, 1931	2,107,840	2,107,840 lbs. at 1c. per lb.	$21,078 40
Fiscal year ended March 31, 1932	776,892	638,344 lbs. at 1c. per lb.	6,383 44
		138,548 lbs. at 5c. per lb.	6,927 40
Fiscal year ended March 31, 1933	22,196	16,204 lbs. at 5c. per lb.	810 20
Fiscal year ended March 31, 1934	—		—
Total	2,906,928		$35,199 44

PEDIGREED HOGS

On the orders of the day:

Hon. ROBERT WEIR (Minister of Agriculture): Mr. Speaker, a question was asked yesterday by the hon. member for Willow Bunch (Mr. Donnelly) based upon a press dispatch that an importation of Swedish pigs was to be made into this country. An answer of yes or no might be misleading and I should like to make a short statement in an endeavour to make clear just what is behind this press dispatch. It is generally recognized that the Danish pig is among the most suitable to produce bacon of the type desired by the consumer in the United Kingdom. This suitability is the result of years of careful selection based on the gain of the pig and the quality of the pig, using feed which is cheapest to feed. That is, the selection is based more on a pig suitable to make use of certain feed rather than the changing of feed and the putting in of considerable research work on feed to make it suitable to any pig. In order to improve the quality of her bacon, Sweden imported some of the best approved herds of Denmark landrace pigs. They carried on the work started in Denmark and the result is that they are now on almost an equal if not an equal footing with the Danish bacon produced by the landrace pigs. For this reason it was felt it would be all gain if there was an importation made into this country from the best of the Swedish herds in order to make a study of their suitability to our country and to our feeds and also with the possibility of crossing with different bacon type hogs used in Canada. Pigs of this type are not available for purchase in the United Kingdom, as referred to in a press dispatch. There was a small importation last fall of white pigs from the United Kingdom. This importation is contemplated, when we receive the assurance of the health of animals departments of the United Kingdom and the United States, that such an importation will not interfere with the understanding between the countries. It is the intention to keep the importation entirely under the control of our government institutions for experimental purposes in order to see how they respond to our conditions, in comparison with our own pigs under similar conditions. If they do not respond, as it is expected they will, they will not be distributed amongst private breeders but will be slaughtered and sold. Every precaution in this connection will be taken if the importation is made.

[Mr. Matthews.]

LULU ISLAND RIFLE RANGE

On the orders of the day:

Hon. D. M. SUTHERLAND (Minister of National Defence): When the estimates of the Department of National Defence were under discussion the hon. member for Vancouver Centre (Mr. Mackenzie) directed a question to me with regard to the Lulu Island rifle range in British Columbia. I informed him at that time that the range had not been sold and that tenders had not been called for. That was misleading, because I find on further examination that early last year, in February, 1933, this property had been transferred for administration to the Department of the Interior. While I was confident that our department had not sold it, it had slipped my memory for the time being that it had been transferred. I find on inquiry from the Department of the Interior that the property was offered for sale in August last. There was received only one tender, which was not considered satisfactory, and the property was not sold and has not been sold since.

Mr. MACKENZIE (Vancouver): Thank you.

TORONTO EAST VACANCY

On the orders of the day:

Mr. HUMPHREY MITCHELL (East Hamilton): May I ask the Prime Minister when it is intended to issue the writ for the constituency of Toronto East.

Right Hon. R. B. BENNETT (Prime Minister): The matter is covered by statute.

LIVE STOCK AND PRODUCTS ACT

The house again in committee on Bill No. 40, to amend the Live Stock and Live Stock Products Act.—Mr. Weir (Melfort)—Mr. LaVergne in the chair.

On section 2—Exporting agent.

Mr. STEWART (Edmonton): What difficulties have been encountered to necessitate this provision?

Hon. ROBERT WEIR (Minister of Agriculture): In the Live Stock Act authority is given to set a maximum charge which commission men, or people engaging in trade in the stockyards, may make for the handling of stock, and there is also provision that bonds be required for people so engaged in trading in live stock. The act does not cover these

particular cases that have come into prominence through our export of cattle, and it was to include exporting agents that these two words were added.

Mr. STEWART (Edmonton): Is this to overcome such a difficulty as was recently encountered in the port of Montreal?

Mr. WEIR (Melfort): It would be a protection in a case such as that.

Section agreed to.

On section 3—"Public commercial vehicle."

Mr. BEAUBIEN: This section will not interfere with the farmer taking his own stock to market?

Mr. WEIR (Melfort): It simply provides that anyone other than the farmer handling the stock will have to report to the owner the grading and ticket of sale to show what the basis of payment was.

Section agreed to.

On section 4—Regulations.

Mr. REID: Will the minister give us a further explanation of this section.

Mr. WEIR (Melfort): Some of the provinces that desire to improve the quality of their poultry have wished to pass legislation to give them control over the eggs that go into their hatcheries, so that they may be assured they are from approved flocks. That object however cannot be attained; that is to say, they have no control over eggs coming from another province into the territory concerned, and various provinces have asked us to insert this provision in the Live Stock Products Act, so that if they wish to pass enabling legislation they may do so in order to prevent the entry into the province of eggs from flocks that are not approved, and which are intended to be hatched in the hatcheries within the province. If the provinces do not wish to pass legislation, this will not interfere. So far as concerns those that do—and we have had a number of requests—it will enable them to carry out their plans for the improvement of poultry in each particular province.

Mr. REID: Has any request come from British Columbia?

Mr. WEIR (Melfort): I believe not.

Mr. BOUCHARD: Any request from Quebec?

Mr. WEIR (Melfort): No.

Mr. SPENCER: Any request from Alberta

Mr. WEIR (Melfort): Yes.

Mr. REID: I understand some regulations are at present in force in connection with hatcheries. What are they?

Mr. WEIR (Melfort): This will not affect them at all.

Mr. REID: But there are some regulations in force at present; some supervision is given by federal officials in British Columbia?

Mr. WEIR (Melfort): Yes. There are approved hatcheries and approved flocks. The approved flocks are on request approved by federal officials or by provincial officials and the desire is that eggs will not be shipped from one province to another from flocks other than from those approved for use in hatcheries. This provision will not affect any regulation which exists at present in British Columbia in connection with their approved hatcheries.

Mr. REID: May I draw to the attention of the minister complaints that have reached me regarding the present regulations in British Columbia, that is, that approval is given to certain hatcheries without investigation as to the source of some of the eggs in the hatcheries, the result being that some men who have approved flocks are at a disadvantage, so to speak, by breeders who have not approved flocks selling to those hatcheries. Difficulty is, I understand, going to arise due to provincial regulations being put into effect in Alberta designed to prohibit importation into that province of day-old chicks unless from approved hatcheries. Those two aspects of the situation should be looked into by the minister and I would like to know whether he has any further information.

Mr. WEIR (Melfort): No.

Mr. REID: At present in British Columbia those regulations are not being enforced, and I believe to the benefit of approved hatcheries.

Mr. WEIR (Melfort): I would appreciate it very much if the hon. member would communicate with me and give me specific instances that will enable us to make an investigation of the matter to which he refers.

Mr. REID: I shall do so.

Mr. NEILL: I think this clause might very well be left out. It is dealing with pretty small potatoes, as the expression is,

when we interfere in a matter of that kind. The minister has said that the object is to allow regulations which will permit the hatching only of chickens of an approved breed.

Mr. WEIR (Melfort): No, of approved flocks. This is very important from the standpoint not only of quality production but especially of disease control.

Mr. NEILL: The suggestion, as he said a few minutes ago, was that they had been bringing in from another province birds or eggs—

Mr. WEIR (Melfort): Eggs.

Mr. NEILL: —of an undesirable quality.

Mr. WEIR (Melfort): From flocks that were not approved and not certified as free from certain prevalent diseases.

Mr. NEILL: The average man in British Columbia who raises chickens, makes a hobby of it and wants to increase the quality of his flock, will hardly go to the expense of bringing in inferior eggs from another province. It would not be sensible to do so. He will naturally bring in eggs from an approved breeder or approved hatchery or someone who has a reputation. He would not bring in inferior eggs from a distance because that would make them very expensive. If he wanted inferior eggs, he could get them next door.

Mr. WEIR (Melfort): This applies only to commercial hatcheries, but I know from personal experience there are commercial hatcheries that advertise under more or less fictitious certificates. The certificate is a very fine looking document so long as one does not investigate it, and yet there may be no registration behind the birds, no selection made and no guarantee that they are from approved flocks or flocks disease-free. This provision will not interfere with the small chicken farmer; it will affect only commercial hatcheries as a protection against disease and inferior birds.

Section agreed to.

Sections 5 and 6 agreed to.

On section 7—Failure to comply with requirements.

Mr. GERSHAW: Does this mean that an ordinary buyer of cattle at a point of assembly shall be required, in order to comply with this provision, to fill in special forms issued by the government?

[Mr. Neill.]

Mr. WEIR (Melfort): No, it has nothing whatever to do with that. In the Live Stock Act power is given to the Department of Agriculture to set a maximum charge to be made by live stock commission firms in the handling of live stock. If it is felt that the charge is too high, notice is given that it should be reduced, but previously the period of time between the notice being given and the ministerial order being issued and put into effect was sixty days. Some live stock commission firms might, on request of the department, put into effect immediately the charges asked for. The others would have sixty days in which to do that, and then appeal. It is thought that thirty days will be sufficient.

Section agreed to.

On section 8—Disbursements.

Mr. GARLAND (Bow River): I would like the minister to give a little further explanation of this section. It seems to be rather important.

Mr. WEIR (Melfort): At first sight it might be felt that this was taking away some of the protection from the farmer selling his stock. The clause in its previous form, which is now to be eliminated, stated that the bank was to be responsible for the administration of a trust account, that is whether or not payments made out of that account were as they should be. I believe that this provision was in opposition to a clause in the Bank Act, and that there is no power to enforce it, but the producer and the farmer selling his stock is in no way affected. It simply has to do with the operation of a trust account. That is if one party to the trust account should issue a cheque in a wrongful way the bank was responsible for that. The protection for the producer is not in this provision, but in the fact that the people handling his stock are bonded.

Mr. GARLAND (Bow River): May it not be implied that the government is accepting the responsibility for the administration of the trust account?

Mr. WEIR (Melfort): Not at all.

Mr. GARLAND (Bow River): Yet as the minister is providing the regulations for the administration of and payments from the account does it not appear possible that there arises some responsibility?

Mr. WEIR (Melfort): It is claimed that this clause in our Live Stock Act cannot be

enforced because it is contrary to a provision in the Bank Act. What I assured myself of is that this amendment in no way affected the protection of the farmer.

Mr. GARLAND (Bow River): I am wondering if the minister may not be stepping into a possible difficulty. There is no doubt whatever that he is now cancelling a provision of the old act with respect to the obligation of the bank concerning trust accounts and is himself going to provide the regulations. There is undoubtedly a moral responsibility at least. I am afraid that may be the interpretation placed upon this section. I am not complaining.

Mr. WEIR (Melfort): I am afraid I have not got the point of the hon. member's question.

Mr. GARLAND (Bow River): Well, then, there is another question that I would like to ask on this section. Has the question of provincial jurisdiction been raised with the minister in regard to what he now proposes?

Mr. WEIR (Melfort): Not as far as I know.

Section agreed to.

Section 9 agreed to.

On section 10—Notice as to shipment of cattle.

Mr. YOUNG: Is not this section in conflict with the powers being given to the marketing board under the new marketing bill?

Mr. WEIR (Melfort): I would say not.

Mr. YOUNG: Why not? Here the licence is to come from the minister; under the other the licence is to come from the board. Is a man going to have to take out two licences?

Mr. WEIR (Melfort): No, we would say not. This is optional. The marketing bill is not passed yet, nor the board set up.

Mr. GERSHAW: May I ask what this is particularly designed to guard against?

Mr. WEIR (Melfort): It might be used to protect quality. It might also be necessary, for example, in connection with a matter that has been under discussion at different times, that of restricted quotas to the United Kingdom. If this country were limited definitely to a certain number of cattle to be shipped out, powers such as this would be necessary to regulate the flow of those cattle.

Section agreed to.

Bill reported, read the third time and passed.

PRECIOUS METALS MARKING ACT

CONCURRENCE IN SENATE AMENDMENT

Hon. H. H. STEVENS (Minister of Trade and Commerce) moved the second reading of and concurrence in amendment made by the Senate to Bill No. 2, to amend the Precious Metals Marking Act, 1928.

He said: This is purely a technical amendment. The Unfair Competitions Act was the name substituted for the Trade Mark and Design Act; it is referred to in this act and we are just making this act conform to the change in the title.

Mr. NEILL: What section?

Mr. STEVENS: It is section 7.

Motion agreed to; amendment read the second time and concurred in.

CANADA GRAIN ACT AMENDMENT

Hon. H. H. STEVENS (Minister of Trade and Commerce) moved the second reading of Bill No. 53, to amend the Canada Grain Act.

Mr. MACKENZIE (Vancouver): May I ask the minister if this bill is going to the agriculture committee?

Mr. STEVENS: That is the intention. I would suggest that rather than go into a detailed discussion here the motion might be allowed to carry so that the bill can be sent to the agriculture committee where it will be dealt with in the usual way.

Hon. W. R. MOTHERWELL (Melville): I am quite agreeable to that suggestion and will look with a good deal of interest for the new evidence the minister evidently has to justify this change. I will also look forward to hearing any evidence the Minister of Agriculture (Mr. Weir) or his staff may be able to bring forward, and will try to weigh all the evidence and decide the matter dispassionately.

Mr. STEVENS: In a judicial manner.

Motion agreed to, bill read the second time and referred to the select standing committee on agriculture and colonization.

MARKETING ACT

ORGANIZATION TO IMPROVE METHODS AND PRACTICES IN MARKETING NATURAL PRODUCTS

The house resumed from Wednesday, April 18, consideration in committee of the motion of Mr. Weir (Melfort), for the second reading of Bill No. 51, to improve

the methods and practices of marketing of natural products in Canada and in export trade, and to make further provisions in connection therewith.

Mr. J. A. BRADETTE (North Timiskaming): Mr. Speaker, I believe that yesterday, in the discussion of this very important measure, I made it very clear—and I suppose this applies to most hon. members on this side of the house—that as far as I am concerned I agree with many features and the spirit of the bill. We realize that the old policy of laissez faire is a thing of the past, and that to-day we must have to some extent a system of planned economy. Of course, in dealing with a matter of this kind we may go to extremes. We reached an extreme under the old policy and to-day, in order to maintain an even keel in the national life of this country, we must be careful that we do not go to the other extreme.

We must not expect the government to take over all our social and most of our personal activities. This bill implies the interference of the government in many of the activities of our daily lives, and that is why I have been opposing some of the features which it contains. We must remember, of course, that we cannot continue indefinitely to enlarge and implement further the policies of the past. We have seen many changes take place. In connection with our external trade, for instance, in the last twenty-five or thirty years we have made treaties with other nations of the world, while before that time the matter of external trade was left largely to corporations and individuals. We have seen the curtailment of our wheat acreage, which was agreed to by the right hon. Prime Minister after the conference last summer. This was another step in the direction of governmental regulation if not absolute governmental control. I feel that one of the main reasons for this act is to secure the sanction of parliament to the curtailment of our wheat acreage in the western provinces in order to have uniformity of policy in that direction. So I believe we have been courting government control for the last dozen years at least, and no one can say that I personally or the Liberal party are opposed to some of the principles contained in the bill now before the house, and the enlargement of that principle. I stated yesterday, Mr. Speaker, that doubtless the capitalistic system has sinned, but at least it has shown that it can supply all the requirements of the people. The situation we have to face to-day, however, is not so much a question of production and regulation as it is a question of distribution and of the purchasing power of the people. Notwithstanding anything that people may say to the contrary and notwithstanding what appears in this bill, the consumer must be primarily concerned with this measure.

There are other causes as well which have contributed indirectly to the present situation, and which have brought about the legislation now before us. One very important contributing cause of the depression was the financial structure of many of our corporations, the watering of stocks, the terrible gambling which we witnessed for six or seven years, and so on. A series of articles appeared in the Montreal Daily Herald during the course of last winter which indicated very plainly that the people of this country have been mulcted to the tune of nearly four billion dollars. In nickel stocks alone, for example, the Canadian people have lost at least $900,000,000. I am not going to read any of these articles since I believe they were distributed to all hon. members of this house and of the Senate, but I should like to refer to some of the headlines that appeared in connection with that series of articles:

The Orgy of Nickel.
One Billion Shares.
$900,000,000 Lost.
37,000 Suckers in One Month.
Abitibi Fiasco.
Shawinigan Collapse.
Alcohols.
Asbestos.
Canada Cement.
Canadian Pacific Railway.
Massey Harris Company.
A Great Industry Crippled by Natural Causes.
Thousands of Stock Marketing Victims.
Inside Information Peddling Condemned.
Dominion Bridge.
Canada Steamships.
Perifidious Stock Jobbing.
Victims Everywhere.
50,000 Pauperized by Nefarious Use of Inside Information.
Price Brothers Collapse.
A Noble Name Dishonoured for Pool Operators and Market Riggers.
Who Played Ducks and Drakes with Alcohol's Market Position?
Who Caused the Asbestos Debacle?
Who Fooled the Shareholders in the Newsprint Industry?
Whose Master Hand has been Responsible for the Millions of Losses by Canada Cement Shareholders?
What of the Canadian Pacific Railway?
Canada Steamships; a National Catastrophe.
Mysterious Stock Wabbling; a Sorrowful Story.
Brazilian; a Sorry Wreck.
Inside Information as it Affects Commercial Morality.
Dominion Bridge and Others in the Mad Boom.
Improper Use of Information.

Not only the big corporations with nationally known names, but thousands, if not tens of thousands, of the smaller corporations found it possible under the existing government regulations to squeeze the people to the tune of some four billions of dollars. That has been one of the main causes of the depth of this depression. We had the spectacle of European peoples sending across their gold and their money to carry on gambling in the New York market in a way that had never been done before during those so-called prosperous years. The government must be seized of these facts and should find a way of dealing with them. I know that the committee on mass buying intends to deal with the matter, but it is of such great importance that it is imperative that action be taken at once if we want to bring back prosperity to this country.

Some hon. members may think that it was only the so-called big fellow who was in the market, but this orgy of gambling reached throughout the rank and file of our Canadian people. On many occasions I myself have seen in the town of Timmins, for example, the miners coming from their work, still carrying their dinner pails, sitting before the stock boards to watch the quotations. I have seen people in all walks of life throwing more and more of their savings into this form of gambling, because it is gambling pure and simple, and the worst possible kind of gambling, for in a poker game there may be some chance, but it has been well proven by the Montreal Herald that in the stock market the dice are loaded against the smaller speculator, the little fellow, who had no chance of winning from the start.

I want to be fair, Mr. Speaker. I know that the government is sincere in wanting to go to the root of our present social evils, but I repeat that this has been the greatest cause of the depression that we are now experiencing, for the savings of our people were turned away from proper commercial and industrial channels and thrown into the stock market.

The bill that is now before us is leading to government control with a vengeance. As I stated a few moments ago, there must be some measure of control applied, as it has been applied in the past, and it is probable that the measure of control will have to be enlarged to some extent.

Let me review briefly what absolute government control has led to in other countries. Will anyone say, for instance, that absolute government control in soviet Russia, control of all the activities of that great population, has been beneficial to the working men and the farmers? Hon. gentlemen no doubt remember the statement that was made by the hon. member for East Hamilton (Mr. Mitchell), who is very impartial in his views and fair-minded in his utterances. He told us after his visit to Russia last year that the situation he found there was most deplorable, that it could hardly be conceived.

Is Italy in a better position than she was a few years ago? Italy has an absolute dictatorship, absolute government control of all the social and commercial and industrial activities of that great nation. You can always judge a tree by its fruits. Only a few days ago the prime minister of Italy asked the Italian people to tighten their belts a little more, and that after having had full control of all the activities of that great nation for a number of years, with the people of the nation working together almost as a solid unit. After years of application of the government policy of absolute control, the prime minister of Italy tells the people that they must tighten their belts a little more. The belts of Canadian people are not as slack perhaps as we would like them to be, but I would like to see any prime minister in this country or any leader of any great party go before the Canadian electors and tell them that they must tighten their belts a little more. I believe that shows, Mr. Speaker, that absolute government control would not be applicable to this country.

It is true that the capitalistic system has sinned very grievously, but I believe that there are honest and sincere men in the higher positions in our industrial and financial life, and I believe that much can be done by cooperation and coordination between our industrial leaders and all other activities, and the government to solve many of our difficulties at the present time.

We cannot get away from the fact that this marketing bill now before us is intended to give a greater measure of control over the activities of our primary producers. It is true that the farmers were the first class of our population to suffer in the depression. Why? For one very good reason, and that was that they were not organized to curtail production. Mind you, I am not in favour of working against the designs of Providence. Regardless of what other people may say, I have faith in Providence, and when I am told that nations, and indeed whole continents, are planning to curtail production I have some fears, I nevertheless believe that there is a better solution of our problems. But the farmers were unable to get or maintain

higher prices for their production because of the lack of organization amongst them, and then they found themselves with over-production. That was not because of more bountiful crops, but when unemployment came in the cities and men were thrown out of work, when labour became cheaper for it is simply a question of supply and demand and when labour is plentiful wages go down, the urban population lost almost fifty per cent of its buying power within a year. The results of that were felt more severely by the agricultural class in this country than any other.

To-day an attempt is being made in this country to curtail the acreage of wheat, and indeed the bill before us, if I understand it aright, is based on the principle of curtailing production or at all events maintaining artificial prices. I never have believed in artificiality, whether applied to industry or any other class of the community. I believe in the natural course of nature, which can be helped to a certain extent only by legislation and governmental regulation. Surely in this country we are not going to try to make our Canadian people as alike as two peas. Have we not confidence enough in their individualism to allow them to work out their own destinies, and abstain from interfering unless some form of regulation is absolutely demanded? Are we going to say that no one shall be allowed to grow a bushel of wheat or catch a pound of fish or produce goods of any kind without the dictation of government officials? I certainly give the government credit for all the intelligence and administrative capacity it possesses, but no one can make me believe that the primary function of government is not legislative and administrative. The course of history shows us that after the different units of population became large enough, governments were formed for the greater convenience of society, and that applies to Canada. But governments do not possess creative power. That belongs to the individual. Take the evolution of industry and the development of new inventions, for instance. Who will dare to say that these inventions are due to the inventiveness of the government? The suggestion would be absurd because that is not the role of government. The government role is to legislate in such a way that its legislation will be beneficial to all sections of the population.

So far as this bill is concerned, I fully appreciate that there are certain principles that must be followed and accepted, and those principles are not new because they have been practised in this country for a number of years. There must be some regulation but there certainly should be no regulation in an autocratic manner. I have not the time at the present moment to go into the details of this bill. I believe hon. members should take the opportunity both on second reading and in committee to discuss every phase of it. I am discussing this all-important problem from the viewpoint of the people whom I represent at the present moment. I represent a constituency which is partly industrial, partly mining and partly rural. There are located in my constituency some of the largest gold mines on the North American continent; we have some of the finest rural sections in Canada part of the Northern Ontario clay belt, and we have also great industrial centres like Kapuskasing, Iroquois Falls and Smooth Rock Falls. I have received hundreds of letters from people in my constituency, some for and some against this bill. They all ask that there should be a thorough discussion. The people in my constituency are very sincere and they appreciate the problems which we have to face at the present moment. Although they did not all have an opportunity of reading the bill, some are absolutely in favour of it while others are absolutely against it. The principle which applies to my riding applies also to the government. The government should be careful and not swing too much in one way or the other, they should endeavour to keep an even keel. Some of the people who have written me appreciate the need of a certain amount of governmental regulation but in most cases they contend that this regulation should not take away the initiative of the individual.

In most parts of this country we are still in the pioneering stage. I cannot visualize the time when the government will be the mother, the father, the director and the leader of all our actions, whether personal, industrial or otherwise. Some latitude should be given to the intelligence, the integrity and the activity of our people which has been so well displayed in the past. I can speak as a farmer and I can speak also as a common labourer because as a young man I earned my bread by the sweat of my brow. I would be quite willing to go back again to manual labour. I know the aspirations of the people and I know what the men in the shanties and working manually are thinking. Twenty or thirty years ago I spent my winters in the shanties, but in those days the government did not mean so much to the Canadian people. To-day we expect the government to give us everything. The government has a certain duty to perform in an administrative and legislative way but

I repeat that they have no right to interfere with the personal actions of the people. The government have no right to dictate to the people and say what they shall do to-day or to-morrow, but they have the right to control certain of their activities. I have faith and confidence in our Canadian people. I believe in the spirit which is so well expressed in every section of the British Empire, the spirit of initiative and individualism, the spirit of respect for authority and concern for the welfare of our national life. We do not need drastic measures whereby our every step will be checked.

I mentioned yesterday the difference which exists between this bill and the English act and I pointed out that the principles which apply here are not the same as those which apply in Great Britain. This government intends to regulate certain provincial activities. We are quite ready to-day to blame the newsprint industry for their orgy of building mills and causing over-production; we contend that they should have known that the newsprint market, particularly that of the United States, was being well taken care of and even was saturated; but a few years ago we could not have visualized a federal marketing board which would have dictated to the Honourable Mr. Ferguson or the Honourable Mr. Taschereau their line of conduct at a time when they were asking the financiers of this country to invest their money in newsprint mills in northern Ontario or Quebec. The provincial premiers at that time would not have tolerated any interference from the central government because they maintained, and perhaps rightly so, that they were better acquainted with the situation. No one would have dared to criticize Mr. Ferguson when he was trying to induce American capital to come into northern Ontario and invest in timber limits, water power and newsprint plants, and the same thing applies to Mr. Taschereau of Quebec. Who would have dared to dictate to the Manitoba government in connection with their power developments? Can anyone contend that this marketing bill will foresee all the activities of the future, whether social, industrial or otherwise? Will anyone contend that he can foretell what will happen five or ten years from now? In 1927, 1928 and 1929 there was an apparent shortage of power in Ontario and who could have foretold at that time that in 1934 we would have a surplus?

I believe in the cooperative spirit of the people and we must fully realize the situation we are facing. I should like to mention I believe this act has been misnamed, it should be the national regulatory act. Codes have been established in the United States but I do not see anything of that kind in this bill, giving no protection to the small farmers, labourers and consumers.

Mr. J. S. WOODSWORTH (Winnipeg North Centre): Mr. Speaker, I should like to commend the hon. member for North Timiskaming (Mr. Bradette) for admitting so frankly that the capitalist system is not one hundred per cent perfect. I think a further study on his part will reveal to him that the evils which he notes, especially those which were recorded in the article from the Herald from which he read, are inherent in the system.

From my point of view this measure is one of the most significant ever introduced in this house. It may or it may not accomplish the good or, on the other hand, the evil anticipated but it is remarkable in its tendencies. Many of its provisions are vague but I assume that in the discussion in committee their meaning will be fully ascertained. There are certain essential safeguards which seem to be entirely lacking and the operation of the bill is so dependent upon concurrent or enabling provincial legislation that it is next to impossible at this stage to forecast the actual working out of the proposals. However, I would say that the underlying principles are fairly clearly defined. Instead of there being only one principle involved, it seems to me that there are two principles involved in this bill. First, there is the government control of the marketing of certain natural products and derivatives thereof and, second, the bill affords another example of what is coming to be known as administrative legislation, that is, the granting to the government of certain general powers which it may carry out by means of regulations.

I should like to point out that this measure involves farreaching political consequences. It may very well mean much more than what appears on the surface, it may possibly involve the realignment of the political parties and organizations in Canada. I take it that by introducing this legislation the Conservative party is definitely committed to extending government control over industry; I can read the bill in no other light. Indeed, if the C.C.F. had introduced legislation of this kind I can fancy there would be hurled at us the charge that it was socialistic, communistic, bolshevistic and all the rest of it, and that

we were destroying initiative and were all going to be regimented. The hon. member for Timiskaming has already suggested that in his speech.

Surely this is a great change in practice for the Conservative party. In this connection I recall an editorial which I read in the Ottawa Journal of May 3, 1929, entitled "Too Much Paternalism." This, I may observe, was in regard to certain insurance legislation. The editorial in question read:

> It is to be hoped that parliament and the government find a resting place for these recommendations in the most convenient waste basket. And the reason is clear. It is that if Canada keeps heeding all the reports that are made by committees, and goes on doing all the things that a lot of well-intentioned but misinformed people want her to do, then this country will become so burdened with paternalism and bureaucracy that the taxpayer will be crushed into the earth. Already, indeed, the hand of the state is everywhere. Yet, not satisfied with this, and despite complaints against the ever-increasing cost of government, we have men advocating insurance against unemployment.
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> It is absolute nonsense. This country has no more need of unemployment insurance than it has need of polygamy. In a country like England, over-populated, and where industrial and economic conditions are entirely different from our own, there is something to be said for it. But in Canada, sparsely settled, lacking in population, and passing through an era of tremendous development, the proposition that it is necessary to insure our people against unemployment is absurd. Its only result would be to add to the cost of government, to produce more bureaucrats, and to discourage what is a real insurance against unemployment in Canada, namely, thrift and industry. . . .
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> During the past few years we have seen Canada go in for a lot of expensive frills which, when first proposed, were widely ridiculed. And the reason is that any organized minority, if it wants to make enough noise, can put over most anything upon an indifferent and lethargic majority. That is why we are going further and further toward paternalism, looking more and more to the state to do things for us, and getting away from the old wholesome practice of individual effort.

Well, this measure says goodbye to all that. I do not think I need deal with the question of the liberty of the subject; it was very well dealt with by the hon. member for Yale (Mr. Stirling). I confess that some of us who were brought up more or less in the general principles of economy as taught by the Manchester school have had some little difficulty in adjusting our thinking to the new world situation. For example when some years ago it was proposed to have a 100 per cent wheat pool I myself found it very difficult to acquiesce in the proposal. And yet, when one studies the situation, such proposals are after all only an extension of certain practices with which we have become familiar.

In my own city some years ago we desired to have a new water works system. A vote was taken and the majority of the people were in favour of the system, so that we put through the necessary legislation and installed the water works. Previously a man might have sunk a well in his backyard. He might as an individual have been opposed to the new arrangement, but under our municipal practice as sanctioned by the people, a bill was put through the legislature. The majority of the people felt that they ought to have a pure water supply and the minority had to come to terms and participate whether they wished it or not.

I have wondered, however, whether the government is prepared to carry out some of the implications of this principle under which the minority rights must be set aside in the interests of the general welfare. I hope the Prime Minister will not think I am taking advantage of his very generous hospitality to-day when I say that this train of thought was suggested by the speech of the Postmaster General of Australia. I find that in Australia when the majority of the bondholders were willing to accept a lower rate of interest the minority of the bondholders were, in his very happy phrase, "asked to agree." I would suggest that if the principle underlying this legislation is adopted by the government and the house as a whole we may as a next step hope for a referendum of bondholders with a view to reducing the rate of interest, and in that case the minority would be asked to agree. Of course, there would be nothing in the way of their being dragooned!

Mr. NEILL: Does my hon. friend find that in the bill?

Mr. WOODSWORTH: No, but the principle of the bill might be extended into other spheres. Perhaps I would not be going too far if I congratulated the Conservative party on its virtual acceptance of some of the C.C.F. policies. Undoubtedly the British Marketing Act had a great influence in the drafting of this bill, and that act was originally drafted you will recall by a Socialist Labour minister in Great Britain. It is quite true that the act was subsequently modified before being adopted by the present British government, but it owes a great deal to its original drafting, and the original legislation was introduced as part of a definite and general scheme.

The trouble is that the present legislation might be described as patchy or streaky. It is a bit of socialism introduced into the capitalist system, and possibly we should re-

member the scriptural admonition against the sewing of a new patch on an old garment. If that is attempted the very great danger is that the rent will be made worse. I am afraid that this patchy legislation will not cure some of the major evils from which we are suffering at the present time.

While I congratulate the Conservatives on introducing this legislation even though I have tried to point out some of its weaknesses, and while I am a bit dubious whether or not the government will enact other legislation in harmony with it, I would say that the Liberals, by this bill, are placed in a very bad predicament. The leader of the opposition, quite honestly I think, still clings to the old laissez faire school of thought. He is heartily backed, of course, on every occasion by our friend from Weyburn (Mr. Young), and I am looking forward to that hon. gentleman's denunciations. We have already heard from the members for Last Mountain, Hants-Kings, West Edmonton, and others. They have already decided to oppose the bill on the ground, very largely, that it is an unwarrantable extension of governmental authority and an interference with the rights of the subject. I suppose they will have behind them, generally speaking, the Liberal sentiment of the present government of Quebec. On the other hand, may I point out that their position is weakened somewhat by the fact that the president of the National Liberal Federation has already departed very substantially from that attitude. At an earlier stage in the session I called attention to the speech delivered by Mr. Massey at Lake Couchiching on The New Economic Nationalism and I quote again for I think this is rather significant:

> It's a difficult world to live in; we are witnessing the very transition between old laissez-faire improvising ways of doing things, and a tightly planned modern state system. We have to plan our own recovery in this easy-going country of ours, our own reconstruction, our own relationship to this new world.

And again:

> The primary conflict is not therefore isolation versus internationalism but planning versus improvisation, and in this trouble planning will, I believe, be victorious.

Once again:

> It must suffice for me to say that national planning will have to be the foundation of Canada's international relations. Old conceptions of government must give place to new.

As I said before, I heartily agree with Mr. Massey's statement. Further than that, even such a sturdy organ of Liberalism as the Free Press of my own city is driven, in special cases, to abandon its old position. I notice an editorial in it of some months ago, July 31, on More Milk Regulation as follows:

> The whole argument for milk regulation is based on the vital importance of that commodity to the community. Any alert, intelligent public health policy must seek to assure all classes of the people of an adequate supply of milk of good quality. For the healthy growth of children this is particularly important. The effect of a better-than-usual supply of milk for the children of families on relief has been noted by many. It is necessary, therefore, that the retail price of milk should be kept as low as possible, and that requires that the spread between the price to the producer and that to the consumer should be no more than is reasonably necessary. That can only be assured if the distribution is on an efficient economic basis.
>
> The most striking thing revealed by a consideration of the present distribution system is that it is anything but economic. It is extremely wasteful and inefficient. The competition has led to the establishment of more plants for the pasteurization and handling of the milk than are necessary and many more wagons than would be required if the companies were not following one another around in all parts of the city. This wasteful duplication is paid for by the consumers, including many who can ill-afford it.

That is precisely the situation which has developed in our city and I believe it is situations of that kind which the bill before us is designed to meet. Moreover, the Liberals are having their difficulties because of the defection of large numbers of younger Liberals throughout the country who, perhaps, are more flexible in thinking and realizing the need of a change in policy. The outstanding example now is that of British Columbia where Mr. Pattullo has come out with certain legislation that is remarkably similar to the bill we are at present discussing and which is an entire abandonment of the old laissez-faire policy. I understand that the only possible way in which the leader of the opposition (Mr. Mackenzie King) can answer those who appeal to him against Mr. Pattullo is by bringing forward another Liberal principle that he does not believe the dominion should enter upon a discussion of provincial matters; that each province should be autonomous. That may do for the time being, but it does not alter the fact that Liberals all over are being forced out of their old position.

In this matter the government it seems to me, is in rather a happy position because it has the support at least of the governments of the west. British Columbia, a Liberal government; Alberta, a U. F. A. government; Saskatchewan, a Conservative government and Manitoba, a Bracken-Liberal government—

all these are more or less committed to the principle underlying this bill. So far as laissez-faire is concerned, the stars in their courses are surely fighting against Sisera. I think I cannot but take advantage of this opportunity to place before the house the position of our own organization in this matter of external trade. Plank No. 5 reads:

The regulation in accordance with the national plan of external trade through import and export boards—

Canada is dependent on external sources of supply for many of her essential requirements of raw materials and manufactured products. These she can obtain only by large exports of the goods she is best fitted to produce. The strangling of our export trade by insane protectionist policies must be brought to an end. But the old controversies between free traders and protectionists are now largely obsolete. In a world of nationally organized economies Canada must organize the buying and selling of her main imports and exports under public boards and take steps to regulate the flow of less important commodities by a system of licences. By so doing she will be enabled to make the best trade agreements possible with foreign countries, put a stop to the exploitation of both primary producer and ultimate consumer, make possible the coordination of internal processing, transportation and marketing of farm products, and facilitate the establishment of stable prices for such export commodities.

Permit me to say that the government in this bill goes much further in the direction of bureauracy than we in the C. C. F. would like to see, because we believe that whilst there must be some sort of social control, we should do our utmost to avoid centralized control and on the other hand rather encourage the development of cooperative institutions. The lack of such provision in this bill is one of its most serious deficiencies. In this connection may I read our plank No. 6 on cooperative institutions.

The encouragement by the public authority of both producers' and consumers' cooperative institutions—

In agriculture, as already mentioned, the primary producer can receive a larger net revenue through cooperative organization of purchases and marketing. Similarly in retail distribution of staple commodities such as milk, there is room for development both of public municipal operation and of consumers' cooperatives, and such cooperative organization can be extended into wholesale distribution and into manufacturing. Cooperative enterprises should be assisted by the state through appropriate legislation and through the provision of adequate credit facilities.

In this particular bill it would seem as if the state itself undertakes not merely the supervision but the actual administration of the marketing of goods. We on our part would rather see a larger measure of local cooperation.

[Mr. Woodsworth.]

I said that the bill contained very far-reaching provisions with regard to regulated products. Clause 4 indicates this. I do not think I need read it in detail, but it gives the board power:

To regulate the time and place of marketing the regulated product, and to determine the manner of distribution and the quantity and quality or grade of the regulated product—

And so forth.

To exempt from any determination or order any person or class of persons—

And so forth.

To compensate any person for loss sustained—

And so on. Clause 9 is also decidedly far-reaching as the hon. member for Comox-Alberni (Mr. Neill) stated yesterday. I should like to ask: Why limit the control to natural products and to food or drink derived therefrom? Why not have control over manufactured products? If the breakfast foods would come under this legislation, and I think they would according to the terms of the clauses, why not clothes? If drink, we will say beer, would come under the terms of this legislation, why not furniture? It is all very well for the minister to tell us that all he contemplates is agricultural products, but the terms of the bill go much further than that. It would seem to me that the revelations coming out in connection with the price spreads committee clearly indicate that in connection with the processing we have great evils, and that we should exercise some sort of control not merely in the marketing of our natural products but also in the processing of them. Further than that, we should not limit its scope merely to food and drink derived from this class of natural products. Just how far the principle might carry us is indicated by the emergency action of the British cabinet back in 1921. I hold in my hand an article from the Manchester Guardian of April, 1921. Under that emergency action such provisions were included as:

That it shall be lawful for the Minister of Transport, the Board of Trade, and any other department approved for the purpose, and any person duly authorized by a department on whom powers are conferred by this regulation, where it appears necessary to do so, to take possession of any land, buildings or works (including works for the supply of gas, electricity, or water, and of any sources of water supply) and any property (including plant, machinery, equipment, and stores) used or intended to be used in connection therewith.

The Minister of Transport and the Commissioners of Works are empowered to take possession of any land, buildings, or other property for the purpose of providing accommodation in connection with any scheme of

road transport or for housing persons engaged thereon, or of feeding or supplying necessaries to such persons.

The Admiralty, Army Council, Air Council, Minister of Transport, Commissioners of Works, and any other department approved for the purpose, are empowered to take possession of any food, forage, material, or stores, and any articles required for or in connection with the production thereof. After such department has issued a notice of possession any person who sells, removes, or secretes such material without consent, or deals contrary to conditions that may have been granted will be guilty of an offence against the regulations.

I mention this merely to show what would be involved if the principle contained in this bill were applied to other departments of our life.

Now there are several questions which I should like to ask the minister and the house. Three questions are outstanding in my mind as I read this bill. The first is, will the act benefit the producers unless there is a guaranteed minimum price? It seems to me that this is one of the fundamental questions involved in the present wheat situation. I cannot see that any government is justified in forcing the farmers to reduce the export of wheat, which means in practice more or less to reduce their acreage, unless there is supplementary legislation which provides that the farmers will be able to maintain a decent standard of living. Surely complementary to regulation, price fixing legislation is inevitable. That question I should like to have answered very definitely by the minister at some stage in this discussion.

The second question that occurs to me is, What provision is there for the protection of the consumer? In the British procedure more or less protection for the consumer is provided in the set up of the scheme. There are at least two committees, and provision for consumers' investigation. The publicity that is provided for, under I think section 9 of the British act, is to a considerable extent a safeguard to the public; yet notwithstanding these safeguards we find in practice that consumers are complaining a great deal about the actual working out of the British act. In the bill now before us I can find no protection whatever for the consumer.

The third question is, What about the employees? Personally I am strongly in favour of protection to the farmer, but if you protect the farmer you must surely protect his hired man. There must be some protection for farm labour. But nothing of that kind is included in the bill. Then again while certain secondary products come under this act, that is, food or drink wholly or partly manufactured or derived from any such product, it is not at all clear that those employees engaged in the processing are to have any protection. It is fresh in our minds that only a few months ago there was a strike in Stratford in connection with the packing plants. The employees were urging that they should receive an advance from 2 cents to 3 cents for each bird plucked. It would seem to the ordinary man that that was not an unreasonable demand, but it was denied by the packing companies. There ought to be very definite provision in legislation of this kind that the employees in any processing industry should be adequately protected. We have further illustrations in the revelations that are coming to us through the so-called Stevens committee. There is no doubt whatever that many employees are being paid much less than a living wage. In this legislation we are apparently overcoming some of the difficulties that have arisen through the division of jurisdiction as between the dominion and the provincial, so it would seem that we might incorporate into this act some sort of minimum wage legislation for those engaged in the manufacture of articles derived from natural products.

As there are a great many details and technical questions to be considered in relation to this bill, the proper procedure would be to send it to the agriculture committee where the experts might be heard. I cannot see how in any other way we can discuss the details with any very beneficial result.

There are several other matters to which I should like briefly to call attention in the time at my disposal. I would note that the central bank is being placed by the government under independent control. Why then, should this marketing board be in the direct control of the minister? That seems to me a great inconsistency. I should think that all the arguments which the government brought forward for the creation of an independent board to handle the money of this country would apply equally to the handling of agricultural products of this country. Further I note that in the setting up of a marketing scheme normally there is to be a petition from a representative number of the producers. There is no indication as to what constitutes a representative number. In the British act that is provided for. It seems to me that this is very loose indeed. Further there is no indication as to who is to bear the cost of such a petition. In the British act there is an arrangement under which the whole cost does not rest upon the producers. Especially in this country, where we are so widely scattered, I can understand that the bill as it now stands might work a very great hardship upon the cooperative organizations.

With regard to the section dealing with compensation, I am informed that in the Argentine the government has a monopoly of exchange and charges the importers in order to compensate the exporters. If our producers are to be compensated because of an adverse exchange it seems to me that we might very well charge the importers, who are benefiting by that self same adverse exchange. If we had some sort of clearing house in which arrangements of that kind could be made it would seem to me to be desirable.

We are told that we have before us a very important constitutional question. We have had difficulty because of the British North America Act, and I am told that although the provinces cannot delegate their authority to the dominion and the dominion cannot delegate its authority to the provinces, by the device of this marketing board in some mysterious way both can delegate authority, and it is presumed that this covers the whole ground. Hence it is said that the marketing board may have authority which can be secured neither by the provinces nor by the dominion. I am not a constitutional lawyer but I should like very much to have that point cleared up. In the meantime may I point out that under section 95 of the British North America it would seem that in any case the dominion government has very wide powers with regard to marketing. Section 95 reads:

> In each province the legislature may make laws in relation to agriculture in the province, and to immigration into the province; and it is hereby declared that the parliament of Canada may from time to time make laws in relation to agriculture in any or all of the provinces, and to immigration into any or all of the provinces;

This is what I should like noted:

> —and any law of the legislature of a province relative to agriculture or to immigration shall have effect in and for the province as long and as far only as it is not repugnant to any act of the parliament of Canada.

So it would seem to a layman at least that we need not worry too much with regard to the difficulty of jurisdiction if this dominion parliament acts in the matter.

I said a little while ago that the great difficulty I found in the proposed legislation was that it was simply one particular act, an attempt to bring about governmental regulation in one department of our public life. I ventured to say that was something like sewing a new piece of cloth on an old garment. In some way we must work out a new system. I know that a great many members of this house are prejudiced against the word "socialism." I am not particular whether or not that word is used, but I take it that we have reached the stage when we must have some sort of social control, if that term sounds any better. We are faced with a situation in which we have a large measure of monopoly, either private or public. I cannot think that we are going back to the old, individualistic way of doing things, and I do not think it is possible either to control these big trusts or to break them up in such a way as to overcome the terrific power they exert at the present time. Under these circumstances some of us believe that the only possible way is to have governmental monopoly or centralized government control over these monopolies which, if effective, would be pretty much the same as actual ownership. As I see the situation it is because we are living in an age of highly organized industry and yet have governments that are attempting to carry out policies that belong to an earlier age that we find ourselves in our present difficulties. If we went back one hundred or even fifty years I think a laissez faire policy would be good and that a free trade policy would be good, but unfortunately that stage of society has passed. Under these circumstances I would say to my Liberal friends that the only way to carry out the fundamental principles of Liberalism in this day is to secure some sort of planning which will be under democratic control. I think there is a danger that it might become autocratic; that is frankly what I fear in the action of my friends the Conservatives.

The ACTING SPEAKER (Mr. Gobeil): The hon. gentleman has spoken for forty minutes.

Mr. WOODSWORTH: Yes. But it is possible, I submit, to have some sort of regulation under democracy: that is the problem we must work out in the future.

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): Mr. Speaker, on the second reading of a bill the first important consideration is that of distinguishing between the purpose of the bill and the principle which underlies its provisions. The purposes of the bill are usually set forth in the name given the measure itself, and the provisions of the bill indicate by their wording the principles upon which they are based. With respect to the measure now before the house the purpose is adequately described in the title, which reads:

> An act to improve the methods and practices of marketing of natural products in Canada and in export trade, and to make further provision in connection therewith.

As to the desirability of a purpose to be served, as thus expressed, I think all parties in this house will be in entire agreement. There is need for improved methods and practices in the marketing of natural products; there can be no doubt of that, and there is also need for improvement in methods of furthering export trade. Those are highly commendable objects, and any provisions which will further those ends without injury to production and trade of the country or depriving individuals of rights, liberties and privileges which are sacred to all will, I believe, at this time, receive general endorsation. When, however, we come to discuss the question of the principles underlying this measure, we find that the means taken to effect these very desirable ends are questionable indeed and it is in these provisions that the principles are to be found on which the bill itself is based.

May I pause for a moment to say to my hon. friend from Winnipeg North Centre (Mr. Woodsworth), who has just taken his seat, that when he says the Liberal party is a party of laissez-faire he entirely misrepresents its position.

Mr. WOOODSWORTH: I am glad to know it.

Mr. MACKENZIE KING: The Liberal party at no time has been a party of laissez-faire. If one takes the history of Liberalism, either in the old land or in this land, one will find that most of the statutes relating to compulsory education, to industrial and social legislation, legislation respecting the regulation of factories, mines, shops and the like, and in this parliament, legislation respecting fair wages in government contracts, investigation of industrial disputes, combines, old age pensions and the like have been enacted at the instance of the Liberal party, and all these enactments have been in the nature of regulation and control. The Liberal party stands for regulation and control, but it stands for such regulation and control at the instance of parliament and not at the instance of bodies that are in no way responsible to parliament or to the electors of the country, and therefore without the necessary authority in the making of the laws.

The supreme consideration at the moment, it seems to me, is not whether we are to have regulated trade or regulated marketing —it is generally agreed that regulation is necessary—but whether that regulation is to be carried on by bodies which, under our constitution, are expected to legislate in matters of the kind or by powers delegated to special interests, or groups, or individuals with no responsibility to parliament or the people as a whole; in other words, whether parliament is to continue to be responsible for legislation as we have been for the most part up to to-day, or whether we in parliament are to divest ourselves of this obligation and transfer it to some bodies that hitherto have not had authority to effect those ends. That is a very large question, and it goes to the very heart of the situation in the world to-day. I know that in many parts of the world at the present time there is a tendency to get rid altogether of parliamentary institutions. In some countries the effort to get rid of them has taken the form of turning over government to groups who are given authority and power to manage and regulate as they deem best everything in the interest of persons belonging to particular occupations and callings. That is the method that is adopted in Russia. It is part of the soviet system. But that method I submit is not needed in Canada at the present time, and is not necessary to effect regulation in the most effective way.

Again there are movements in other countries, as for example in Germany, Italy and Austria, where the effort has been made to get rid of parliament altogether and turn over the power to legislate to dictators on the assumption that parliaments in those countries have broken down and have not served the purposes and met the needs of the people. I have nothing to say as to whether that is true of Italy and Germany and Austria, but I do say that so far as Canada and Great Britain are concerned it is not true. The parliaments of Canada and of Great Britain still stand as the great guardians of liberty and security for all classes of people in all parts of their respective countries. The exception that I am going to take to this particular legislation is that while it purports to be legislation to further the regulation of trade and the production and marketing of goods, it is really legislation designed to do away very largely, if not almost entirely, as I think I shall be able to show, with the power of parliament and the right of parliament to control in these all-important matters.

In that connection let me ask at once what are the principles underlying this legislation? As I have said, you have to look at the provisions, not the name of the statute to see what they are. In this bill they will be seen to explain why the government has found it necessary to divorce the carrying out of this legislation from parliamentary control altogether. When we examine the provisions of this bill we find that the principles are

principles to restrict production and trade and to create monopolies. Those are the principles underlying this bill. I want to repeat that because it is all important. The principles underlying the provisions of this measure are the principles of restricting trade and restricting production and of creating monopolies with regard to commodities that are to be produced and bought and sold and stored and exported from different parts of the country.

Mr. LUCHKOVICH: Government monopolies?

Mr. MACKENZIE KING: Monopolies of producers in particular occupations, special groups controlling production, purchase and sale of different classes of products and commodities. My hon. friend, if he has read the bill, ought to have been able to discover that for himself. As to the principle that the essence of this whole measure is restriction of production and trade and the creation of monopolies there can be no question whatever. That is just where I am going to take issue with my hon. friends to my left in the far corner who are advocating some of the socialistic measures they have been putting forward. I do not believe they can have studied the provisions of this measure or they would not be prepared to give it the support they are doing to-day. I can understand how, in their desire to further the extension of state functions and to see a great bureaucracy built up, which of necessity will have to be supported by force, they are quite prepared to allow hon. gentlemen opposite meanwhile to transform the system of government in a way that would serve their ends in a socialist state. But I do say this, after listening to the same hon. gentlemen talking about individual liberty and denouncing a policy of scarcity, and after hearing them in one form or another contend for the rights of the poor and oppressed classes in the country, that they cannot have considered this legislation with care, or they would find it very difficult to give the support they have already expressed in its favour.

Mr. WOODSWORTH: I am sure that the right hon. gentleman would not suggest that we have advocated the extension of bureaucracy or advocated changes by force. None of that is correct.

Mr. MACKENZIE KING: My hon. friend all the time, even in his speech this afternoon, argues for the extension of state functions. How can you have an extension of state functions, let me ask him, without the creation of a bureaucracy? That is of the very essence of it. How can you possibly extend the functions of the state without creating a bureaucracy, and how can this bureaucracy carry out its functions except by the power of might, which is force, and which is always the power behind government and authority when it attempts to administer public affairs by a large extension of state functions? That is the answer I make to my hon. friend and to the members of his party. They have not come out and said: We are after force and bureaucracy. But the whole essence of the socialist state is founded on that, and my hon. friend knows it. No one knows it better than he does. He has read Cole's book on the method in which matters may have to be carried on for a time, he knows that Cole has said that the socialistic state will have to have a bureaucracy and be maintained by force, and that in the meantime as a step to that end socialists will probably have to allow Toryism to go very far to help create the needed bureaucracy and force and accustom the public mind to that kind of government. The members of the C.C.F. to-day are congratulating the government on this legislation which it has introduced. Is it not a nice spectacle to see an hon member, the leader of the C.C.F., which party regards itself as the antithesis of Toryism, congratulating Tories on their legislation, as my hon. friend has done in his speech this afternoon and that because it goes the length of further extending state functions in a manner which will inevitably serve to create a bureaucracy. We have our Tory friends opposite introducing legislation which, like the spider with the fly, is aimed at catching a few flies which happen to be at the far end of the chamber. They are prepared to walk into the spider's parlour for the time being to help the spider get through this particular legislation. But I am afraid the inevitable fate of the fly awaits them.

In order that it may be made perfectly clear, Mr. Speaker, that the principles of the measure are as I have described them to be, let me give a bird's eye picture of what is proposed in the bill. Let hon. members carefully consider what it is that we are being asked to endorse. I might say, if one does not take the trouble to verify what one says by reference to the provisions themselves, the natural reaction to the picture would be that the measure could not mean anything of the kind, that it cannot possibly go so far. Let me give the picture.

First of all, in the regulation of trade and the marketing of our production in this country it might be asked, is it this parliament that is to regulate and say how much

is to be produced, or what restrictions there are to be on trade, or how sales are to be regulated, or is it some other body or bodies? The bill does not provide that this parliament shall do any of these things at all, but it does provide that they shall be done by some bodies other than this parliament and in part by bodies that are not in existence at the present time. That is the first statement I want to make. This legislation is to give power to bodies that do not now exist, to make regulations which will restrict production and restrict trade, and to create offences for which it affixes penalties —it puts in this particular statute the penalties that are to follow if what is set forth as regulations and orders to be made by these bodies that do not yet exist is not carried out. That is what it provides.

The first proposal is that a marketing board shall be appointed and that certain powers shall be given to that board. What are the powers? One power is that if a group of persons in any local district come together and wish to regulate trade as respects a particular commodity, or group of commodities, it may petition the government to have the production of and trade in that particular commodity or group of commodities regulated in the manner it suggests. The government is then to pass on the petition to this board. If, after looking it over, the board advises that it is desirable to carry out the scheme—I direct attention to the word "scheme"; it is a scheme, not a law that is to be carried out—then the governor in council—not this parliament; parliament does not appear again once this bill has been assented to by the representative of the sovereign—may approve the scheme and publish its approval in the Canada Gazette. The scheme then becomes law; everything set forth in the scheme as framed and fashioned in that manner becomes part of the law of the land to which it applies. It need not and probably will not, apply to the country as a whole. There may be one scheme in British Columbia, another in Quebec and another in Nova Scotia; there is no obligation of uniformity, it is simply a scheme which a particular group of producers in a particular part of the country have agreed upon. Once it is approved of by the board, it becomes law in that part of the country.

This provision is put in the bill to please our socialist friends of the Cooperative Commonwealth Federation. It was put there to catch the leader of that party just as he has been caught this afternoon when he said that this means the beginning of socialism. His objection was that the scheme was not large enough, that it went just a certain distance, that it did not go far enough to suit him. It brought him, however, right into line with the government in supporting the measure because it is the beginning of the control of production and of trade not by parliament, but by groups which have united together to draw up schemes which are to be made applicable at their instance to the rest of society. Have we come to the time when that sort of thing is desirable? Are there to be no interests considered other than those of a particular group? Parliament stands for the necessity of seeing that all classes likely to be affected by legislation are heard from before legislation is imposed upon them. Does this law require that all classes shall be heard? It distinctly rules out all but one particular class and that the class whose self-interest and that alone is to govern. Take any group, whether they be tobacco growers, apple growers, hog raisers or other producers. Let that group come together and let a representative number of its members petition that the affairs of their trade as far as production, sale and the rest of it is concerned are to be managed in such and such a way in accordance with some scheme they have devised, if the board, the minister and governor in council approve of that scheme, it then becomes law. What about the men who belong to other occupations and callings? What about consumers generally? What about the great body of labour that the hon. member champions so eloquently in this house? They may not happen to be the particular group that is legislating in its own self-interest, but they will all be affected by the law the group is creating. Not one of them is to be heard in advance of the making of the law. The fines and imprisonments that are to apply to anyone who dares to violate what becomes the law are put down in the bill but what the law is to be none save the self-interested parties are to have a word. As I say, this was all intended for Cooperative Commonwealth Federation consumption.

Let us see what is intended in reality. Even if there is no petition by any group, even if there is no request from any source, if the government of the day or an unnamed minister—the bill does not say what minister; it may be the Minister of Agriculture (Mr. Weir), the Minister of Trade and Commerce (Mr. Stevens), the Prime Minister (Mr. Bennett), or any other minister—thinks it desirable to restrict trade or to restrict production, then the governor in council may make such regulations as are necessary to

restrict that trade or production or regulate its business in other ways. That is all to be done without any reference to parliament. Is my hon. friend willing to turn over to the Tory party of Canada the complete control of all trade, and of the direction which it is to take? That is pretty much what he is doing in the support he is giving this measure. I have heard him advocate the desirability of trade with all nations and all countries.

There are two blights, so far as policy is concerned, which have been put upon the trade of this country since the present administration came into office. One is the blight of economic nationalism which seeks to bring everything in the matter of manufacture and trade within the confines of our own country, and the other, which I consider to be worse, the blight of economic imperialism, which seeks so to direct matters by legislation, as for example the United Kingdom-Canada trade agreement, tariffs, national revenue rulings and the like, that whatever little trade there may be beyond our borders shall be confined as largely as possible within the British Empire with as little as possible relatively with any foreign country. There is to be found the real significance of the powers to be conferred upon the governor in council under this legislation. When the government believes it is in the interests of its own policies it may pass any order it pleases with regard to the trade of Canada, regardless of the legislation parliament itself has enacted or may enact.

Do hon. members realize that this bill gives to the governor in council the power to prohibit absolutely the importation of goods from another country which the government may allege it is in the public interest to prohibit? Do hon. members realize that it gives the government not only the power to prohibit imports, but the power to prohibit the export of goods from this country? That is the power given to the governor in council. This parliament is to part altogether with its right to say what is to be imported or exported; under the provisions of this bill, hereafter the governor in council will have that power. I ask: Since when has this parliament decided to throw up its hands in the matter of the control of the tariffs of the country? Tariffs will be of no effect after powers of this kind are given to the governor in council. I have always understood that the great function of parliament was to control the revenues and expenditures of the country and that tariffs played a very important part both with respect to revenues and what as a consequence may be possible in the way of outlay. This legislation takes away from this parliament any possible control with respect to any article or series of articles coming within its comprehensive provisions in connection with which the government of the day may wish to prohibit exportation or importation. I submit that is going pretty far. As I have said, the effort is to get away from parliament altogether in the matter of restricting and prohibiting the importation and exportation of goods, as well as in the matter of regulating production.

The bill as it is presented to this house destroys all that we have been taught to cherish as the essence of British liberty. As it now stands, it destroys all that upon which our parliamentary system in the truest sense of the word rests. It is unconstitutional from beginning to end; it simply ignores the constitution of the country and the constitutional rights of parliament. I would go further and say that it is subversive of our judicial system, as I shall be able shortly to show. Men have been accustomed in this country to believe that they had some protection of their rights in property and the fruits of their own labour, in the judiciary of the country, that the courts of the land would have something to say as to whether or not they were to have their right to hold their own property respected and to do with it what they pleased. It will no longer be so, once this bill passes if it carries in its present form. This law declares that, once these different boards to be created in the manner I have described have made certain regulations, they may go to the extent of prohibiting a man from working on his own property or from selling his goods. That is to be the law, and he has no escape; all that the courts can now do is to see to the imposition of the fines and penalties here set forth.

We have had a good deal of discussion in this house about the unwisdom of the blank cheque, the principle of giving to the government or to anyone the power to dip into the public treasury for particular funds as needed, without control on the part of parliament, and we on this side have fought that proposal right along for four succeeding sessions. I believe that some of my hon. friends in the far corner for part of the time supported the Liberal party in that effort, but may I say that this bill repeats this very thing. It does not do so as an emergency measure to furnish relief, but it does propose to enable the government to do as it pleases with regard, not to increasing but to limiting production, not to expanding but to restricting trade. It goes a step further than that, for it takes the matter right out of the hands even of the

governor in council and allows a board that is not yet in existence, the personnel of which, so far, we know nothing about, to dip into the treasury, into the consolidated revenue fund of the country and take out moneys for its own purposes. In order to enable it to satisfy its own needs, are we in this parliament going to hand the public treasury over to some board about the personnel of which we at present know nothing, and shall know nothing even after this legislation passes, until the board is actually in existence?

Let me now read some of the provisions—it is necessary to read the provisions, because the language I have used would seem unbelievable but for the fact that it is demanded by these very provisions. But before I quote them, let me pause and ask my hon. friends, who support this legislation, whether they believe in the old principle, "no taxation without representation." They accuse the Liberal party of standing for certain principles and shibboleths. Well, if we stand for them we stand for them because they have been the security of men and nations through the centuries, and they are the things that have stood up against revolution and against the kind of movements hon. gentlemen are fomenting at the present time—against Toryism

Mr. McINTOSH: And will do it again.

Mr. WOODSWORTH: Mr. Speaker, the leader of the opposition has stated that the Liberal party is standing out against revolution, which is being fomented by members in this corner. That is absolutely untrue and I ask him to withdraw it.

Mr. MACKENZIE KING: I did not say that. I said against revolution, yes; the Liberal party stands against it. And, I added, certain movements of the kind my hon. friends are trying to further. I do not withdraw that, because the movement my hon. friend is trying to further is one I denounce —taking the making of laws from parliament and putting that duty in the hands of others.

Mr. WOODSWORTH: I listened carefully to what was said, and I suppose it will come out in Hansard. But I refuse to allow the leader of the opposition to imply—

Mr. SPOTTON: He will change Hansard.

Mr. WOODSWORTH: No, he will not change it, but I refuse to allow the leader of the opposition to say that we in this corner are seeking to foment revolution.

Mr. MACKENZIE KING: Mr. Speaker, I think that, with your authority, Hansard might be permitted to read the notes now of what I said.

Mr. SPEAKER: If that is necessary, but I cannot see that the point of order is well taken. I do not see that the leader of the opposition was not within his rights—

Mr. MACKENZIE KING: The hon. member for North Huron (Mr. Spotton) made the statement that I would change Hansard, and I ask that that statement be withdrawn.

Mr. SPOTTON: I will change it to "revise Hansard."

Some hon. MEMBERS: Withdraw.

Mr. MACKENZIE KING: We can all measure the size of the hon. member.

Mr. WOODSWORTH: I did not catch your ruling, Mr. Speaker, but I think I am right in saying that there should be no implication whatever from the leader of the opposition, that any member in this corner of the house is fomenting revolution.

Some hon. MEMBERS: He did not say that.

Mr. MACKENZIE KING: I will say at once to my hon. friend that I made no statement of that kind with reference to him and his party. In my reference to revolution, what was actually in my mind when I spoke was the period of the civil wars in Britain when one party stood for the right of parliament to protect the people against impositions which the crown had no right to exact, and I meant that it was the Liberal principle of the rights of the people in the matter of their control over taxation that saved that kind of situation. And, I added, we stood against movements such as my hon. friend is leading—movements that would wipe out parliament and substitute soviets with respect to regulations to be imposed in some of these matters.

Mr. WOODSWORTH: Mr. Speaker—

Mr. SPEAKER: The hon. member for Winnipeg North Centre has no right to interrupt; there is no point of order.

Mr. WOODSWORTH: With all due respect to you, Mr. Speaker—

Mr. SPEAKER: The hon. member for Winnipeg North Centre (Mr. Woodsworth) may not agree with what has been said and he may argue that the inference from what he said is not correct. But there is no point of order.

Mr. WOODSWORTH: I am willing to accept the explanation of the leader of the opposition that there was no implication, but

in making that explanation the leader of the opposition says that we are seeking to wipe out parliamentary institutions—

Some hon. MEMBERS: Hear, hear.

Mr. WOODSWORTH: —and it is not true.

Mr. SPEAKER: The leader of the opposition may or may not be correct in that inference, but he is within his rights in drawing it.

Mr. MACKENZIE KING: Well, Mr. Speaker, upon what does our whole parliamentary life rest? It rests upon the control by parliament, the commons in particular, over the revenues of the country, over expenditures, over taxation. That is what parliamentary life rests upon and has rested upon since there has been a free parliament in any part of the British Empire. The essence of it is complete control over taxation by parliament itself.

What has my hon. friend been supporting in his speech? He was supporting this bill. What are our friends opposite seeking in this legislation? The object of this legislation is to get away from parliament by the setting up of a board, the personnel of which we know nothing about, and can know nothing about until it comes into existence, and to give to that board and other boards powers which parliament alone should have. Let me read subsection 5 of section 3:

> The board may, with the approval of the governor in council, employ such technical, professional and other officers and employees as the board may deem necessary or desirable, and such persons shall receive such salaries or remuneration as may be fixed by the board with the approval of the governor in council.

There is no mention of parliament there—no mention whatever of parliament, and there is to be no appropriation by parliament of moneys for the purpose, the board itself on authorization by the governor in council may take what is necessary out of the consolidated revenue fund. The board is to fix salaries and the governor in council to approve. Let me quote subsection 6:

> The board shall be a body corporate and shall have power for the purposes of this act to acquire, hold and dispose of real and personal property.

Since I have been in this parliament, until the present administration came into office, the practice has been, when money was required for the purposes of bodies appointed under legislation, for an amount to appear in the estimates presented to this house setting forth the amount of money required, and for that amount or such portion of it as the house might be willing to grant to be appropriated in accordance with the custom and practice of parliament for centuries past. That custom was abandoned under the relief measure. Now that, under the guise of an emergency, the government have succeeded for three or four years in getting rid of parliamentary control in that way, we begin to see the reason that power has been sought all along. It is to give the governor in council, one individual, a dictatorship. The other day the Prime Minister (Mr. Bennett) said that the difference between the executive in the United States and in Canada was that the executive there was one man while here it was a number of men. I told him that I thought I could point out that the executive here was still one man; it was the sovereign and in Canada his representative, and the Prime Minister admitted that. But it is the sovereign advised by the prime minister and his colleagues. To-day the Prime Minister and his colleagues have come to be the real executive, the principle however remains exactly the same; whether the executive is the sovereign acting in his own right, or the sovereign acting on the advice of his ministers, the responsibility ought to be to parliament; parliament should not be parting with its rights in order to turn them over to the executive. What does it matter if at one time the executive is a sovereign and at another a prime minister, supposing their powers to be the same and alike autocratic. We are face to face in Canada at this time with exactly the same situation—and I am going to refer to it a little later on—as the barons of Runnymede were with King John. John, the sole executive of his day, asserted that he had the right to say what moneys were to be spent and what was to go for this purpose and what for that. What has been suggested by the ministry opposite in this and other legislation? It is not that parliament shall have control of the money, but that the executive may do what it pleases with the public treasury with regard to those matters in connection with which it has been given and is now further seeking a free hand?

Let us take clause 3, subclause 9:

> The governor in council may from time to time authorize payment to the board, out of the consolidated revenue fund, of such sums of money as may be necessary for the purposes of this act.

What is that other than a blank cheque? The government have already taken a blank cheque for use with respect to all their powers with regard to any thing that can be done under alleged peace, order and good government. They have a blank cheque with reference to all expenditures they may wish to

make for purposes of relief. The time has surely come when we should make a decided stand against the taking of that power becoming the habitual practice of the government in relation to the regular business of the country. This is not an emergency. One cannot get away from the language of this provision: not parliament but—

> The governor in council may from time to time authorize payment to the board, out of the consolidated revenue fund, of such sums of money as may be necessary for the purposes of this act.

That is as unconstitutional as anything can possibly be. It is setting at defiance the whole function and purpose of parliament, namely, the control of the expenditures of this country and the taxation. It is parting with that and giving it to an executive to do with as it may wish and thinks best. That is not the only such provision. Let me go a little further. Not only can they use the public funds in this way but—

> The board—

This is not even the governor in council.

> —shall, subject to the provisions of this act, have power—

What power?

> —to compensate any person for loss sustained by exporting, storing or withholding from the market any product pursuant to any determination or order of the board.

That is, the board may go into the consolidated revenue fund and begin to compensate people. I have always thought that when compensation was needed, parliament was asked to vote the money necessary and an appropriation especially for the purpose was required.

Let me go a step further:

> To compensate any person in respect of any shipment made pursuant to any determination or order of the board to a country whose currency is depreciated, in relation to Canadian currency, for loss due to such depreciation.

I am not saying that there should not be compensation in certain cases, but what I do say is that whatever compensation is to be made out of public moneys, the House of Commons should say how much compensation is to be paid and appropriate what is necessary before anything is paid. No board, no governor in council should have that right. It belongs to the people's representatives in the House of Commons.

Mr. WOODSWORTH: How about the compensation for the destruction of diseased cattle?

Mr. MACKENZIE KING: My hon. friend is getting restless, I know, but let him try to retain his patience for a time.

Let us go a step further and see what powers are given to this board. We have been criticizing the ministry opposite for what they have taken in the way of power not only to pay out moneys under a blank cheque, but also to give guarantees for different purposes, using relief measures for making loans, guaranteeing advances by banks, and the like, and I think the leader of the C.C.F. has criticized them pretty severely for what they have been doing in the way of making loans and guarantees. We have now reached the point where they are going even a step further. Not only do they wish to do that themselves but they are willing to let this unnamed board do it. Paragraph (e) of clause 4, following the words:

> The board shall, subject to the provisions of this act, have power—

states:

> To assist by grant or loan the construction or operation of facilities for preserving, storing, or conditioning the regulated product and to assist research work relating to the marketing of such product.

We have in Ottawa a bureau of research, one that cost this country quite a sum of money and that is doing excellent work. When money for research work is required, the minister in charge of the department brings in his estimates and asks parliament for an appropriation for that purpose. We discuss the purpose here and find out whether it is in the public interest, and whether, other interests being considered, that particular interest should be the one that should receive the attention the minister is asking for it. Then in the light of what is best for all, and not merely for one particular interest, the vote is granted. But under this legislation the board, not parliament, is to have the right to make grants or loans, to assist research and all the other objects mentioned in the section. About all the power parliament will have left will be to make good the losses that will inevitably occur as a consequence of those grants or loans.

Let me take another paragraph in the same part under the powers of the board. Paragraph (h) states:

> To pay the operating and necessary expenses of the board.

Having in mind the necessary taxation, that is a nice provision—for the board. I do not know that it is equally good for the people who have to pay the bills. But this legislation gives to the board power to pay its own operating and necessary expenses.

Then paragraph (i) states:

To acquire, hold and alienate such real property as in the opinion of the governor in council may be necessary for the purposes of the board.

If one reads this bill through, one cannot find anywhere within the four corners of it provision that parliament is the body that has to make the appropriation in the first instance.

These are all evidences in this legislation of a violation of that most sacred of all principles: No taxation without representation, and control by the House of Commons over the expenditure of public moneys. Where is the public, as a whole, represented on the board that is to make expenditures in this way? The only real representation worthy of the name is that of this House of Commons which represents the whole of the nation.

I shall now come to some provisions that deal with the power to legislate generally. I have dealt specifically with expenditures of public money. The "blank cheque" is only one phase. Let me now cite wherein this legislation does away with the rights of parliament to legislate on other matters and turns this power over to other bodies. I have read some provisions which relate more particularly to taxation and control of power and expenditures. I come now more specifically to those which relate to the making of laws with respect to production and trade.

Clause 8 states:

Whenever the governor in council is satisfied, on the recommendation of the minister, that a majority of the persons engaged in the production or marketing of a natural product so require, he may approve of a proposal for,—

(a) the extension of the geographical limits of any part of Canada to which an existing scheme relates;

(b) the extension of the powers of any local board;

(c) the amalgamation of two or more local boards.

And so forth. Not parliament, but the governor in council and the board between them are to determine how far a law is to apply. It is to be remembered "an existing scheme" means the regulations made by a board and which have the force of law. Listen to this:

9. Notwithstanding that no petition in relation to any natural product has been filed, the minister may, if he is satisfied that the trade and commerce in the said product is injuriously affected by the lack of a local board to regulate such product, at any time propose a scheme for the marketing of such product, and the governor in council may approve of such scheme and authorize the board to administer such scheme directly or through any agency which it may establish. Such scheme shall continue in force until terminated by—

[Mr. Mackenzie King.]

By parliament? No, by the governor in council.

Are my hon. friends opposite prepared to support that kind of legislation? Is anyone in this House of Commons prepared to support it, if he really understands it?—that a minister of the crown, unnamed, may if he thinks it desirable frame a scheme the purpose of which is to regulate production and marketing, and which, if he can get his colleagues to agree to it, then becomes part of the law of the land, and those who do not carry on their production or the sale of their commodities in the terms of what is laid down, not by parliament but by this scheme, are to be subject to fines and penalties and possibly imprisonment. Does anyone believe that that is something which this House of Commons should tolerate for a moment? If any plan for the regulation of trade or production cannot stand the criticism of this parliament, that is the strongest reason why it should never be put into operation. Let the minister come to this House of Commons and this parliament with a plan—"plan" would be a much better word than "scheme," although "scheme" comes nearer to indicating what it will be when it is really wrought out.

Mr. MERCIER (St. Henri): Very symbolical.

Mr. MACKENZIE KING: If a minister of the crown will come with any plan or scheme which has anything to commend it, surely with such a majority as hon. gentlemen opposite have they could count on getting it through the House of Commons. If they cannot, they have no right to say that when this parliament is no longer in session or apart from this parliament, they shall be free to set up any kind of plan or scheme they please.

I pause to make clear what is meant by "a natural product." The hon. member for Winnipeg North Centre (Mr. Woodsworth) assumed all through his speech that what is referred to is simply farm products. But that is not this bill at all. Let me tell him that this term has an application very much wider than merely to farm products. He pointed out that the British North America Act contains a clause which places agriculture under both provincial and federal jurisdiction, and argued that at least it would seem that under that clause something might be done. The products of agriculture are only one of the classes enumerated. Look at the definition of "natural product" as set forth in the bill:

(e) "natural product" means any product of agriculture or of the forest, sea, lake or river, and any article of food or drink wholly or

partly manufactured or derived from any such product.

That includes, to begin with, pretty much everything that it is possible to eat or drink, and also a great many other things. It includes boots, shoes, clothing, furniture and furnishings, household supplies and the like; it includes any article which can be partly manufactured or derived from the natural products mentioned. And you are giving power to this government to make a law with respect to who is to produce those commodities, how much is to be produced, who is to sell them, or whether they are even to be offered for sale. And, as I shall show a little later, you are making it a criminal offence if some man should by chance even offer for sale something that under one of these boards or schemes is prohibited or restricted.

Let us go a little further on that point. Listen to this:

12. (2) The governor in council may, by order or regulation published in the Canada Gazette—

Let me pause there—not by law of the parliament of Canada, not by any statute, but by order or regulation of the governor in council,—

(a) provide that any natural product shall not be exported from Canada without a licence;

but also to quote first 12 (1):

The governor in council may, by order or regulation published in the Canada Gazette, restrict the importation into Canada of any natural product which enters Canada in competition with a regulated product, and the governor in council shall have power to make regulations to provide for the licensing by the minister of importers, or otherwise to enforce any order made hereunder.

Can we conceive of anything more sweeping? In other words, hereafter we are to be governed not by statutes but by such orders or regulations as the governor in council may make to restrict the importation into Canada of any natural product. What does it mean? If the government should make up its mind that it is desirable hereafter that trade shall flow only in certain channels, that it is not desirable for example that the people shall get oranges or coffee or sugar at a less cost by getting these and other necessaries from some particular country that would like to trade with Canada but that does not happen to be within the British Empire, then it may prohibit these goods coming from that country and say that we shall get that kind of product hereafter only from the particular countries within the British empire so designated or implied. This is economic imperialism which, as I said a moment ago, is their pet policy. In the last campaign the policy was economic nationalism: Canada first, but it has since grown to economic imperialism: Empire first. This section gives this government power to say what goods are to come into the country and what may be exported out of the country. I do not think I need stress that much further. However let me re-read subsection 2:

The governor in council may, by order or regulation published in the Canada Gazette,—
(a) provide that any natural product shall not be exported from Canada without a licence;

There you are! Now, Mr. Producer, no matter what you are producing, if it suits the governor in council—not if it suits the parliament of Canada, not if it is a law that has been put on the statutes while members of parliament from all parts of Canada were present—if it happens to suit the governor in council, whether parliament is in session or not, to say that you shall not export anything without a licence, then you will have to get a licence, and without it you cannot export. Let us read the second section. The governor in council may:

(b) prescribe the forms of such licences, the terms and conditions thereof and the persons who shall have authority to issue the same;

That is a fine power to give to a government on the eve of a general election, to send around the country a lot of agents of the government of the day with power to issue licences to the producers in the different localities.

Mr. MERCIER (St. Henri): Campaign funds!

Mr. MACKENZIE KING: And further the governor in council may:

(c) impose penalties for breach of any such order or regulation or of any licence issued thereunder, and, generally, make such provision or authorize the doing of such acts or things as may in his discretion be deemed necessary or expedient for giving full effect to any order, regulations, or licences issued or made hereunder.

What freedom is there left to a producer? And this applies to all who have to do with the natural products named. Not merely those engaged in the various branches of agriculture but fishermen, producers of forest products and of all things that are manufactured or derived from the natural products mentioned are, as regards production and sale, all to be at the mercy of what the governor in council may do.

I know what the minister is going to say when he gets up to answer. He is going to say: Do you think we are going to exercise these powers? We want them, but we are

not going to exercise them. That is what we have been hearing all along. But when that argument has to be brought to the defence of a measure it is the strongest reason why the measure should not be enacted at all. We cannot afford to give to any government, as this measure does, power to do what it pleases with respect to production and trade.

Now let us go a little further. The governor in council and the boards to be established by him under this act may in the manner described create offences for breach of any regulations made. That is something new; that goes further than anything we have had up to the present time. Heretofore I have understood that parliament was the only body that had the right to create crimes and impose penalties, that the consent of the House of Commons and the Senate and the assent of the representative of the sovereign were necessary before any particular act could be made a crime. It is not apparently to be so hereafter. The governor in council may make any regulations he pleases and may prescribe penalties; any breach of such regulations will constitute a crime.

Now let us come to another point, which I wish particularly to stress. I refer to the right set out in Magna Charta that no man shall be dispossessed of his rights without the lawful judgment of his peers under the law of the land; not the law as made by the governor in council, not the law as made by some unnamed and as yet unexisting body, but the law of the land as known to everyone. It is an essential principle of liberty and freedom that the law of the land should be known, that it should be so known that every man as he runs may read. The law should not be something which is to make its appearance in the Canada Gazette after some board or governor in council, not parliament, has passed a regulation; it is something that should appear in the statutes of the country.

Mr. WOODSWORTH: Was Beauharnois given away by order in council or by parliament.

Mr. MACKENZIE KING: So far as Beauharnois was concerned, it was a matter of the provincial government; the government of the province of Quebec gave to the Beauharnois company the powers it had. The federal executive of the day only complied with the provisions of an act of this parliament which obliged it to pass upon whether or not certain conditions laid down by parliament with respect to non-interference with navigation had been complied with. Those conditions were complied with and, so far as the government of the day was concerned, it would have been a greater wrong, if wrong it could be said to have been, not to have certified to what its own officials stated were the facts, than to have taken the course which by the terms of the legislation it was obliged to take. My hon. friend knows that. But may I ask my hon. friend this question: Why does he interject that remark into a discussion of this kind? Is he trying to befog or get away from the issue? I think my hon. friend is beginning to see some of the weaknesses of his own position and is adopting the Tory tactics of trying to do all he possibly can to becloud the issue. My hon. friend and the Tories are getting closer and closer together every day.

I was referring to the principle that no man could be dispossessed of his property without trial by his peers under the law of the land. What does this measure say? Up to the present our conception has been that, excepting under the law of the land, no man shall be dispossessed of his property, but what do we find on referring to the subsection I read a moment ago, subsection (a) of section 4?

> The board shall, subject to the provisions of this act, have power—
>
> (a) to regulate the time and place of marketing the regulated product, and to determine the manner of distribution and the quantity and quality or grade of the regulated product that shall be marketed by any person at any time, and to prohibit the marketing of any of the regulated product of any grade or quality.

Let me make this perfectly clear. If it is necessary that certain grades should be prohibited from being marketed; if certain things of that kind are essential I for one will support anything of that nature, provided I am afforded opportunity to support it on the floor of this house as part of the legislation going through this parliament, in the interests of all and in a form in which its provisions will be known to all. But it is not our responsibility, when we are sent here to protect the interests of the people at large, to turn over a duty of that kind to some other body. So with subsection (f):

> to require any or all persons engaged in the production or marketing of the regulated product to register their names, addresses and occupations with the board, or to obtain a licence from the board, and such licence shall be subject to cancellation by the board for violation of any provision of this act or regulation made thereunder.

If certain trades are to be licensed, it is for this parliament to say what those trades should be, and to lay down the law and de-

termine the offence and the penalties, instead of leaving it to some other body to attempt anything of that kind.

Then, when a scheme has been approved by the governor in council—a scheme put forward by the governor in council and published by the minister in the Canada Gazette—we come to section 6, which provides

(2) The provisions of the scheme as approved shall have the force of law, and the local board shall, from the date of the publication of the said notice of approval, be a body politic and corporate.

There you have the establishment of a soviet, a little group who are to have complete control of their own scheme that has been approved by the governor in council. Is that not taking away from the people at large rights which they are entitled to have defended by this parliament? Then under the head of offences, and I regard this as a very serious matter, I find the following:

Every person who fails to comply with any order or determination of the board or of a local board or any regulation of the governor in council shall be guilty of an offence and punishable on summary conviction with a fine of not less than twenty-five dollars and not more than five hundred dollars, or to imprisonment not exceeding three months, or to both fine and imprisonment.

That is section 14. This House of Commons is being asked to enact penalties of this kind which will subject the citizens of this country to the possibility of fine and imprisonment, for what? For offences that we know of at the present time? No, for something a board, either the large board or a local board, may determine hereafter to be an offence. Well, I say we may be prepared to see the last vestige of liberty on the part of the citizens of this country go if that clause is ever allowed to remain in this act.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. MACKENZIE KING: Mr. Speaker, before recess I was speaking of the principles underlying this measure and had pointed out that as one reads the provisions of the bill he discovers that its primary purpose is that of limiting production, restricting trade, and creating monopolies in the production and sale of natural products. I pointed out that the provisions of the bill justified the view that it aimed at taking from parliament and transferring to a board to be appointed under the statute, and to local boards to be appointed in sections of the different provinces, the power to make regulations with respect to the production and storing and sale of natural products, but that parliament itself is not to be the body that under the act will make whatever may be necessary in the way of regulations.

I had also pointed out that under this bill when enacted into law there will be transferred from parliament to other bodies the creation of offences, offences in the nature of crimes, offences punishable by fine and imprisonment, and that all that is expected of this parliament is to fix certain penalties without knowing what the offences are to which the penalties are to be attached. The penalties are set forth in the bill, but I do not hesitate to assert that not a member of parliament can indicate at the moment what the offences are to which they are to apply. They are offences still to be determined by local boards, to be appointed under the act or by the governor in council.

I submit, Mr. Speaker, that legislation of this kind violates the fundamental principles of British liberty, violates our constitutional system of government, violates every tradition on which our parliamentary system rests. I cited from the bill numerous provisions, anticipating to that extent the discussion in committee, because as I stated I believed that apart from this evidence the house would find it difficult to conceive that principles such as this could be embodied in legislation introduced into this parliament by any government. I think I have given instances enough of the provisions to make clear the assertion that I have made.

There is a portion of the bill to which I have not yet made reference and on which I wish to make one or two brief comments, and that is the last part which provides for investigation into some of the matters we have been discussing. Let me say at once that I believe there are certain evils which investigation is much more effective in curing than is any penalty. Publicity is a means of letting the light into situations that will not bear the light of day, and may serve even more effectively than any penalties that can be attached to the violations of the provisions of an act to avoid the evil which may be disclosed as the result of investigation. I welcome in the fullest degree any legislation which will provide for the fullest kind of investigation into industrial and commercial evils, but where there is to be investigation hereafter, care should be taken to see that innocent parties are afforded the same degree of security as that to which they are entitled in any inquiry which would be carried on in the way in

which parliament has hitherto provided. This legislation with respect to investigation does away with the safeguards which ensure to innocent parties their rights and liberties. It creates an interference with industry, not at the instance of parliament, but at the caprice of a minister of the crown.

The investigations provided for are to take place by the minister on his own initiative if he so desires, or at the request of a board, and the minister's initiative in matters of the kind, however he may seek to deny that such is the case, is bound to be in a large measure the result of political pressure. There will always be open the possibility of believing that the investigation has taken place from a political motive, and that it is being directed towards political ends. That is bound to be the case where power is left entirely in the hands of one individual, and where the investigation is not provided for in accordance with some predetermined method which has been approved of by parliament as a whole.

The bill goes very far in regard to what it permits in the way of investigation. It enables the minister to name the investigators, to choose them out of a self-interested group, because it is the group that wishes to have its production regulated and has succeeded in getting certain regulations passed under the provisions of the act, and this group of investigators is given power to determine what condition exists that is against the public interest and that is detrimental in a number of directions which the act defines. They not only have the power to determine what exists in this way, but as a result of their investigation they determine in addition what the offence is.

The penalties, as I say, are set forth in the bill, and we are to be asked to enact those penalties into law. But the body that is to fix the penalties is not to be the body that is to determine the offence. While parliament is to fix the penalties, this bill asks us to hand over to unnamed individuals and unnamed organizations and groups the determining of the offences to which these penalties shall apply. I repeat, Mr. Speaker, that without actually reading the sections of the bill anyone not in this House of Commons and with the bill before him would say that this was a misrepresentation of the situation, that such could not possibly be the case. I therefore wish to refer very hurriedly to the sections which bear out what I have said.

Under the head of Investigations in part II I read:

In this part and in any regulation made hereunder, unless the context otherwise requires,

[Mr. Mackenzie King.]

(a) "committee" means a committee appointed hereunder by the minister—

A committee of unnamed individuals and groups. Then it goes on to define what "spread" is. There is also a clause which deals with the power to authorize investigations:

16. (1) The minister may at the request of the board or upon his own initiative authorize an investigation into—

Look at the number of subjects:

—the cost of production, prices, spread, trade practices, methods of financing, management, policies, grading, transportation and other matters in relation to the production and marketing, adaptation for sale, processing or conversion of any natural product.

As I pointed out this afternoon, "any natural product" means any product of agriculture, of the forest, of the sea, of the lake or of the river and any article of food or anything wholly or partly derived from any such product. This means that the minister on his own initiative may appoint a committee to inquire into almost anything at any time. This all is perfectly clear. What security is there for business when it cannot be carried on without undue interference on the part of the minister who may or may not exercise his authority for political reasons? What does this committee do? Section 17 reads:

(1) Whenever as a result of any such investigation the minister shall have reason to believe that such a situation exists as requires further inquiry he may at the request of the board or on his own initiative—

It comes back again to the minister each time.

—appoint a committee to inquire into the spread in connection with the marketing, adaptation for sale, processing or conversion of a regulated product.

Who are the committee? Subsection 2 reads:

(2) A committee shall be composed of such number of representatives of producers and persons engaged in marketing, adaptation for sale, processing or conversion, and consumers, as the minister shall decide, and there shall be a representative of the minister who shall act as chairman.

What are the powers of the committee? Section 18 reads:

(1) A committee shall have power to investigate all operations occurring in connection with or in the course of marketing, adaptation for sale, processing or conversion of the regulated product for the purpose of ascertaining the spread received by any person in the course of such marketing, adaptation for sale, processing or conversion, and whether the same is detrimental to or against the interest of the public in that it is excessive or results in undue enhancement of prices or otherwise restrains or injures trade or commerce in the regulated product.

In addition to having those powers, the committee has the determination of the result of the investigation. Section 19 reads:

A committee may after investigation as hereinbefore provided determine, in connection with any operation occurring in the course of marketing, adaptation for sale, processing or conversion of the regulated product, what spread is detrimental to or against the interest of the public in that it is excessive or results in undue enhancement of prices or otherwise restrains or injures trade or commerce in the regulated product.

That is not some body created according to the laws of the land such as a commission whose powers are definitely fixed by statute; it is simply a committee which has this power of determining what is detrimental, excessive and so forth. Section 20 reads:

A committee shall in the manner prescribed by regulations publish every determination made by it hereunder.

"Determination" is simply another word for "offence." The last clause, which describes the penalties, reads:

Every person who, to the detriment or against the interest of the public, charges, receives or attempts to receive any spread which is excessive or results in undue enhancement of prices or otherwise restrains or injures trade or commerce in the regulated produce, shall be guilty of an indictable offence and liable to a penalty not exceeding five thousand dollars or to two years' imprisonment, or, if a corporation, to a penalty not exceeding ten thousand dollars.

In other words, this parliament is being asked to give its sanction to possible fines to the extent of five thousand dollars and to possible imprisonments up to two years, in the case of individuals, without knowing the offences to which those penalities are to apply. Parliament is not to have a say in defining the offence; that is to be done by the committee which is to be appointed by the minister to make the investigation.

I come back to the question of whether the fundamental rights and liberties of the subject are to be dealt with in that manner by a representative parliament, which above all else is elected to protect the liberty and rights and property of the individual. Under this act, if the bill becomes law, the committee is to create the offence, and the same should be said of the local boards which are appointed for the purpose of laying down the regulations, that is, the laws, the violation of which is prescribed as an offence. Are these to be representative bodies selected in the manner in which legislative bodies are selected or elected in Canada, in England, or any British country? Before hon. members of this house can have to do with the making of laws they have to comply with and have others comply with certain laws framed definitely for the purpose of seeing that whoever may be concerned in the making of laws is duly representative of the people as a whole. The first of these laws is the franchise act. The only persons who have a right to vote in a dominion election are those who can qualify with respect to the franchise. No qualification of the kind is required for membership on this law making committee. Anyone whom the minister wishes to appoint may be appointed to the committee. Next, hon. members have to be representative of constituencies. The Representation Act ensures that all classes in all communities shall have a say before any offence can be created. Nothing of the kind exists in this legislation. As a matter of fact, it specifically limits those who have to do with regulating and making the laws and regulations to the interested parties, to those who have to do with the particular commodities the production and distribution of which are being made into so many monopolies. As respects law making, it is not representation by population, but representation by occupation. In addition to the Representation Act, there is the Dominion Elections Act which has been framed to ensure that before any member of this legislative body can help to create an offence or to make a law, he must first be elected in accordance with the provision of a law that ensures a certain degree of protection to the electorate in the matter of its choice. But none of these particular precautions or anything like them are to apply to these boards which are to determine what regulations are to become law. There is simply to be a direction by the minister or the governor in council with regard to the new offences which will be created as a result of the investigation and determination of the boards of investigation.

One has only to ask oneself what will happen as a result of all this to see whence we are drifting. We may have one investigation in one province, another in another province and yet another in another. We may have one board determining one thing and another board determining another. But it does not matter what they determine, the penalty is the same for the man who has committed an offence, by not producing or selling his commodities in accordance with the determination of the board that makes the investigation. I repeat that one has only to make clear the purport of this measure as verified by its provisions to see how completely subversive of all that is sacred to British liberty

and to British parliamentary institutions and to British practice and procedure in matters of legislation the proposed measure is.

This afternoon the leader of the Cooperative Commonwealth Federation cited the Winnipeg Free Press as a paper that at times inclines his way in that it finds it necessary to say that there is much that is good in socialism. I do not think anyone who studies industrial problems will deny for one moment that there is not good in very much that is termed socialism. Neither will anyone venture to say that the socialist party is the one party having a monopoly of all that is good in the matter of social legislation. The socialist party have taken many of the aims and policies which belong to other and older parties and have claimed them as part of their own beliefs and convictions. That may be perfectly right and proper, but there is no monopoly in the matter of social legislation as between the different political parties. They may differ as to how they are to go about achieving their ends and what they intend to do when they attain to power, but as for any one party being the sole representative of social needs, and the one party whose policies alone will meet those needs, that, I think, is carrying things a little far. However, let us see what the Winnipeg Free Press has to say about this legislation. I am going to read a paragraph or two, and I shall do so for the benefit of my hon. friend in particular. When the legislation was first brought down the Winnipeg Free Press discussed it in an editorial entitled The Marketing Legislation. And here may I point out that the Winnipeg Free Press stands in a very signal position as a guardian of agricultural interests in the west. It is a journal in the city of Winnipeg, the interests of which city are more bound up with agriculture than I suppose are the interests of any other city in Canada, though of course to some extent it is true of all cities in Canada that their interests are bound up in large measure with the prosperity of agriculture. The hon. member saw the force of that truth when he cited the Free Press. This is what that newspaper had to say editorially of the marketing legislation:

> The legislation, from a cursory examination, appears to justify the estimate of it which comes from the capital. It is pointed out that nothing ever proposed, not even the War Measures Act, begins to approach it in the power which it gives to officials to regulate the trade of the country. It goes further, it is stated, than similar legislation in any country in the world having parliamentary government.

That was the first statement. What had that newspaper to say after a careful study of the measure? In an editorial on April 3, under the heading The Dominion Marketing Bill, the following appeared:

> The text of Mr. Bennett's farm marketing bill bears out Ottawa telegraph dispatches which said it placed immense and perhaps unexampled powers in the dominion government's hands. It is like no other bill in the history of the Canadian parliament. It confers on the cabinet at Ottawa, and in some circumstances on one member thereof, authority to regulate, limit and even prohibit every kind of trade (domestic, export and import) in nearly every kind of natural product. This power is to be exercised by a national board and a number of "local boards," but these agencies will be created and controlled by the government. The bill, if it comes into force, puts an end to freedom of trade in all products (to quote its wording) "of agriculture, or of the forest, sea, lake or river," and in all foods and drinks partly or wholly made from such products, a category which includes such diverse commodities as ice cream and tinned salmon, beer and bread, sugar and beef. Sales of all these goods at home and in export markets, as well as imports of all of them, are brought under arbitrary and unlimited governmental control by this one statute. It is a bill rivalling, if not surpassing, the most notable efforts of the European dictators in the way of economic control.

That is a carefully and thoughtfully worded editorial which, I think, gives a just appreciation of this legislation.

Now, Mr. Speaker, the leader of the C.C.F. party, speaking this afternoon, expressed the view that because some exception was being taken to the extension of powers on the part of governments in various directions, the Liberal party was holding to its old tradition of laissez-faire and did not want anything in the way of an extension of governmental powers. I think I made it perfectly clear to my hon. friend that the Liberal party, all through its history both in the old country and in this dominion, has believed in regulation, but it has been regulation brought about at the instance of parliament. When my hon. friend talks about the Liberal party believing in laissez-faire what he really means to say is that the Liberal party believes and continues to believe in liberty. He is confusing the two. Now liberty and laissez-faire are not the same thing. Liberty is secured sometimes by regulation and sometimes by laissez-faire. Laissez-faire is simply a method, just as regulation is a method, a means to a particular end, that end being liberty, and when liberty has been threatened by too great an encroachment of officialdom or arbitrary power then the Liberal party has stood for liberty and for freedom secured through laissez-faire. When, on the other hand, the individual has not had sufficient protection, then similarly in the name of liberty and of freedom—at one

time political freedom, at another time social freedom, at another time religious freedom, and, as at the present time, economic freedom —the Liberal party has stood for such regulation as was essential to that end. What we have stood for is liberty and freedom, secured by laissez-faire when that method was needed to get rid of unnecessary restrictions that bind and handicap and fetter the subject and deprive him of his liberty, also for liberty and freedom secured by regulation at the instance of parliament when to the acquisition and maintenance of liberty that method of securing liberty and freedom has been equally essential. I am sorry that my hon. friend opposite is interrupting me.

Mr. MANION: I am sorry; I did not intend to interrupt the hon. gentleman.

Mr. MACKENZIE KING: I heard him talking about the Liberal party. He knew something about the Liberal party at one time.

Mr. MANION: There is now no Liberal party in the country I was speaking of, England, the greatest home of liberty in the world.

Mr. MACKENZIE KING: All political parties have had their ups and downs—

Mr. MANION: Mostly down in England at the present time.

Mr. MACKENZIE KING: —don't be too sure; you will never down the principles that the Liberal party stands for. I might observe to my hon. friend that the people of Canada to-day are thinking not so much about the position of the Liberal party in England as about the position of the Liberal party in Canada in the light of what happened this very week in the county of Oxford.

Mr. BOUCHARD: May I ask a question, Mr. Speaker? What do you think of an hon. gentleman who will refer to his political opponents as his political enemies, as the Minister of Railways did recently?

Mr. MACKENZIE KING: We shall have to let the Minister of Railways interpret that in his own way. Now what I wish to point out—and I think the interruptions have helped to make it clear—is that there are certain great traditions upon which all government is founded, and if you forsake those traditions it matters not what you do legislatively, you will destroy the edifice of the state itself. There are great traditions of the past which have been the main stay and security of the liberties of the British peoples, and it is as necessary if not more necessary to-day than at any time in the world's history that those traditions should be maintained. Take all the great charters of liberty in British history—what are they? They do not purport to express anything new; they express what was asserted by the people at the time those charters were drafted as the rights and privileges which they claimed to enjoy as individuals. What we are fighting for to-day is exactly what, as I said this afternoon, the barons at Runnymede were fighting for at the time they exacted the Great Charter from King John. That is something that will be apparent to every schoolboy and schoolgirl who has any knowledge at all of current history, because the first document that boys and girls are taught in school to reverence is the Magna Charta. I suppose the history best known in connection with the study of British liberty is Green's. May I read to this house a page or two from that work with reference to the Magna Charta and what it stands for.

Some hon. MEMBERS: Oh, oh.

Mr. MACKENZIE KING: I hear some hon. members opposite laugh. I doubt whether some of them have heard of the Magna Charta. It is about time at all events they began to learn the most elementary lessons in government. To make clear to them the bearing of the Magna Charta on our present discussion I will quote from Green's Short History of the English People, the chapter entitled Under the Great Charter, 1215-17. Green says:

> It is impossible to gaze without reverence on the earliest monument of English freedom which we can see with our own eyes and touch with our own hands, the great charter to which from age to age patriots have looked back as the basis of English liberty.

Please note that. I have under my hand as well a copy of Select Charters Illustrative of English Constitutional History, by Stubbs, a well known authority. This eminent writer, speaking of the great charter of liberty, states:

> The whole of the constitutional history of England is a commentary on this charter; the illustration of which must be looked for in the documents that precede and follow.

That well expresses the significance and importance of this charter. Green terms it the basis of English liberty. Green continues:

> But in itself the charter was no novelty, nor did it claim to establish any new constitutional principles. The charter of Henry the First formed the basis of the whole, and the additions to it are for the most part formal recognitions of the judicial and administrative changes introduced by Henry the Second. But the vague expressions of the older charter were now exchanged for precise and elaborate provisions. The bonds of unwritten custom which

the older grant did little more than recognize had proved too weak to hold the Angevins; and the baronage now threw them aside for the restraints of written law. It is in this way that the great charter marks the transition from the age of traditional rights, preserved in the nation's memory and officially declared by the Primate, to the age of written legislation, of parliaments and statutes, which was soon to come.

I pointed out this afternoon that the legislation we are discussing is so vague that one does not know what it really means. As I indicated a moment ago we know what the penalties are, but we are not yet aware what the offence is to be to which those penalties are to be attached. That is a reversion to a condition that existed in a period prior to the Magna Charta itself. Green says further:

But all vagueness ceases when the charter passes on to deal with the rights of Englishmen at large, their right to justice, to security of person and property, to good government. "No freeman," ran the memorable article that lies at the base of our whole judicial system, "shall be seized or imprisoned, or dispossessed, or outlawed, or in any way brought to ruin: we will not go against any man nor send against him, save by legal judgment of his peers or by the law of the land."

Where is the law of the land to which at the present time those penalties are being attached? I ask that question, and I should like hon. gentlemen opposite to answer it. Nobody yet knows what the offences are to be; they are to be named, but not by parliament. The security to one's person and property is no longer to be in statutes and parliament and the law of the land, instead, citizens of Canada are to be subject to fine and imprisonment for what any board appointed by a minister may declare to be an offence.

The great reforms of the past reigns were now formerly recognized—

And so forth. Then a little further on:

John had again raised the rate of scutage, and imposed aids, fines, and ransoms at his pleasure without counsel of the baronage. The great charter met this abuse by the provision on which our constitutional system rests. With the exception of the three customary feudal aids which still remain to the crown, "no scutage or aid shall be imposed in our realm save by the common council of the realm."

The common council of the realm being parliament. Yet if one reads this bill he will find that certain payments are to be made at the instance not of parliament but of a board, neither a legislative nor representative body in the true sense of the word. Green continues:

The provision defined what had probably been the common usage of the realm; but the definition turned it into a national right, a right so momentous that on it rests our whole parliamentary life.

[Mr. Mackenzie King.]

That is to say the Great Charter asserted the right of the control of parliament over the revenues and expenditures and the taxation of the country.

Green goes on to speak later in this same chapter of rights in the matter of trade which the citizens were to be permitted to have:

The towns were secured in the enjoyment of their municipal privileges, their freedom from arbitrary taxation, their rights of justice, of common deliberation, of regulation of trade. "Let the city of London have all its old liberties and its free customs, as well by land as by water. Besides this, we will and grant that all other cities, and boroughs, and towns, and ports, have all their liberties and free customs." The influence of the trading class is seen in two other enactments, by which freedom of journeying and trade was secured to foreign merchants, and an uniformity of weights and measures was ordered to be enforced throughout the realm.

This bill gives to the governor in council the right to take away freedom of trade even between different parts of the one country, as well as the possibility of freedom of trade between this and other countries. Apart from parliament altogether it gives to these various boards and to the governor in council, at the instance of the minister and not of parliament, the right to restrict trade. It overrides the Customs Act, which makes definite provisions under which certain goods are allowed to come into the country. The bill says that the minister may prohibit the importation of goods, thus depriving the country of part of its revenue, and this may be done at the instance, not of parliament, but of the governor in council and of the minister.

What I have read of the assertion of individual rights and liberties in the Magna Charta was repeated each time there was a great crisis. This was what I had in mind when I said to my hon. friend this afternoon that the Liberal party through the centuries had stood for certain principles such as the right by parliament to control taxation and expenditure and to maintain the liberty of the subject. If he will consult this volume, Stubbs, Select Charters, he will find that, with regard to the period of Charles I and the Petition of Right, and of William and Mary and the Bill of Rights, there again is to be found in these great charters of liberties recited one after another principles which the British peoples have regarded as sacred to their liberty, to their property and to their rights as individuals, every one of which rights in some measure is being set at naught by the legislation which we have before us.

Reference has been made to our own constitution. I believe when this measure is properly studied it will be found that some of its provisions are also contrary to the

provisions of the British North America Act. What does the British North America Act say with regard to trade and commerce? Does it say that local boards are to have the regulation of trade and commerce? Does it say that an individual minister of the crown and the governor in council may regulate trade and commerce? Let me read the provisions of the act. They are pretty clear and specific:

Distribution of Legislative Powers
Powers of the Parliament
It shall be lawful for the queen—

Now the king.

—by and with the advice and consent of the Senate and House of Commons, to make laws for the peace, order, and good government of Canada, in relation to all matters not coming within the classes of subjects by this act assigned exclusively to the legislatures of the provinces; and for greater certainty, but not so as to restrict the generality of the foregoing terms of this section, it is hereby declared that (notwithstanding anything in this act) the exclusive legislative authority of the parliament of Canada extends to all matters coming within the classes of subjects next hereinafter enumerated, that is to say—

What is the second item in the enumeration?

The regulation of trade and commerce.

In other words, the British North America Act states that exclusive legislative authority rests in this parliament with regard to the regulation of trade and commerce. How, then, can hon. gentlemen opposite undertake to leave it to local boards to regulate trade and commerce? How can they give power to the governor in council to restrict the importation and exportation of goods? Such a power is a distinct violation of that section of the act. Another subject which rests entirely within the legislative authority of parliament is the criminal law. Parliament alone has the right to make criminal laws. Criminal law defines the offence and fixes the penalty. We are being asked by this bill to allow somebody other than parliament to define the offence. That again is a violation of the constitution of our country. How can we leave it to a local board, to some committee the Minister of Trade and Commerce or some other minister may appoint, to determine what is an offence, in the light of the provision of the constitution which says this parliament alone may make the criminal law? I repeat the mere fixing of a penalty is not the creation of what constitutes a crime; it is the offence that constitutes the crime. To prevent and to punish the offence a penalty is affixed by the criminal law, and both the criminal law and trade and commerce belong to this parliament.

In regard to the provinces what does the British North America Act say? I quote:

92. In each province the legislature may exclusively make laws in relation to matters coming within the classes of subjects next hereinafter enumerated;

Among those enumerated are, property and civil rights, and:

The imposition of punishment by fine, penalty, or imprisonment for enforcing any law of the province made in relation to any matter coming within any of the classes of subjects enumerated in this section.

The provinces have certain rights given to them under the constitution; the dominion has certain rights given to it under the constitution. Some of these rights are mentioned as exclusive rights. I say that where an exclusive right to legislate is mentioned in the British North America Act this dominion cannot confer that right if it belongs to the dominion parliament on a province, nor can the provinces if the right to legislate is exclusively theirs confer that right on the dominion. If the power to effect certain ends cannot be achieved by each legislating within its own jurisdiction and confining its efforts and acts to what comes within its jurisdiction, the only remedy is to have the British North America Act amended in such a way as to attain what is desired, if it be in the public interest. But as long as the constitution remains what it is we are obliged to respect it.

I might refer to a few other clauses in the constitution that I believe are being violated by this bill. In particular there is the provision in the constitution which declares that all articles of the growth produce and manufacture of the provinces, shall be admitted free into each of the other provinces. There is provision also in the British North America Act with respect to the consolidated revenue fund of Canada, descriptive of how all revenues are to go into the consolidated revenue fund, and how alone they may be taken out as a result of specific appropriations by parliament. The bill, as I pointed out, gives to a board the governor in council is to create power to take money out of the consolidated revenue fund, and also to keep, as its own, certain moneys and not have them go into the fund at all, but to be used by the board as it pleases. The more one examines this bill the more one finds it difficult to discover wherein there is left a vestige of parliamentary practice or principle throughout the whole of it.

May I say further that this measure is very similar to measures that were enacted in this parliament in 1919. At that time two bills—the Board of Commerce Act and the Combines and Fair Prices Act—were introduced and passed through parliament. They were of a character somewhat similar, although this one

is a thousand times worse, violating as it does many principles that the others did not. But the bills of 1919 to which I refer had one or two features in common with this, one being the endeavour in the matter of fixing prices to have the federal government do something that belonged to the provincial legislative field. The Board of Commerce Act did not go as far as this bill seeks to go in having prices fixed, not by any parliament or legislature, but by some local board or committee. The regulation of trade and commerce was the issue that was uppermost as respects that legislation. What did the courts find? Once the statute had been passed, the courts declared it to be ultra vires. The judgment sets forth that section 91, the section I have read about the federal parliament having the exclusive right to legislate on trade and commerce does not empower the dominion to enact legislation of the kind that the Board of Commerce Act embodied. To quote from the judgment:

> The authority of the dominion parliament to legislate for the regulation of trade and commerce did not, by itself, enable interference with particular trades in which Canadians would, apart from any right of interference conferred by these words above, be free to engage in the provinces. . . . No justification for interpreting the words of section 91, subsection 2, in a fashion which would, as was said in the argument on the other side, make them confer capacity to regulate particular trades and businesses.

I am not going to take time to go into the legal argument on this matter; that may well be left to members of the legal profession. But I do believe it will be found that when it comes to be interpreted this measure will meet with much the same reception by the courts as did the Combines and Fair Prices Act and the Board of Commerce Act of 1919. I wish to add that the government must be aware of what the finding of the courts is likely to be in a matter of this sort. I hardly think it is treating fairly the great body of producers and distributors in this country to be passing on the eve of a general election, an act which in all probability will be made to serve its purpose in the general election, but which once the election is over will be found to be ultra vires as respects its essential provisions and a law which will never accomplish aught of what it is supposed to accomplish.

I just wish to add a word in regard to the British marketing legislation. Some suggestion nas been made that this proposed legislation is similar in some respects to the British Marketing Act. May I say first of all that I do not think that the legislation is similar; but even if it were that would not be a sound reason for its enactment here unless the conditions in essential particulars were similar to the conditions in Great Britain. In Great Britain you have one parliament which can speak for the whole country. There is not one parliament and several legislatures each with exclusive powers of jurisdiction, consequently there is no question of possible conflict of jurisdiction; it is one parliament that speaks. May I point out this very great difference also between the British legislation and that now before us; the British legislation takes care to provide that before the finding of any board or any regulation becomes binding a resolution must be brought in and passed in the British House of Commons approving the regulation as part of the law of the country. The resolution in fact must be approved not by one house only but by both houses of parliament. In other words, in Great Britain they have reserved some rights to the House of Commons and parliament in these matters of the regulation of production and trade; they have not handed over entirely to unknown local boards the powers of parliament. That difference alone is enough to make any reference to the British act condemnatory of the present legislation.

May I say further to hon. gentlemen opposite that, having regard to the condition in which agriculture in this country is at the present time, they ought to be very careful what they do in the further examples they set to Great Britain in ways of restricting trade in Canada and creating monopolies in our natural products. I remember when the United Kingdom-Canada agreement was before this house and we were discussing the influences that had been at work to bring it about, I did not hesitate to say, when the Prime Minister of this country told the people of Great Britain that unless they changed their fiscal policy and became a protectionist country there would be little preferential trading between Canada and Britain, that it would not be very long, once protection became operative with respect to manufactured goods before we should find in Britain a demand for the protection of the various branches of agriculture, and see the gates beginning to be closed against the agricultural products of this country. I pointed out that within three years they would find that taking place, and that is exactly what is taking place to-day. To-day, when our agriculturists are finding it more difficult than ever, to enter the British market, and may soon find themselves shut out altogether in respect to some products, they have no one but hon. gentlemen opposite to thank

for it, because it was they who demanded that before we would deal with Great Britain in the matter of extending British goods a preference, the fiscal system of Great Britain would have to be changed from that of free trade, which in large measure they had, to one of undoubted and unquestioned protection. It might therefore be advisable to go carefully at the present time in the way of creating further monopolies and restrictions of trade in Canada.

Let me recall this circumstance; it cannot be recalled too often. This proposed legislation is being discussed as if it related entirely to agriculture. But as I pointed out this afternoon, excepting the products of mines, it covers every kind of natural product and commodities made from natural products, and that means a considerable proportion of the whole industry of Canada. It gives this government power simply by order in council to stop the importation of any class of goods or products that come into Canada from Great Britain, provided they can be made in Canada out of some raw material produced in our home industries. That power is there; there is no use in the minister saying that they do not intend to exercise it, and that we are putting forward exaggerated ideas—the fact that such is the situation shows how wide of any true mark we are going in this legislation.

We are rapidly getting to the point where this country is beginning to despair of its trade altogether. More and more we hear the cry, "Where and how can we get trade with any country in the world with everything tied up as it is here?" May I draw attention to the fact that if the government were to seek to make an agreement with another country, difficult as the situation may now be in the matter of trade, it will be a thousand times more difficult when this legislation goes through, because of the restrictive powers given the boards and committees and governor in council under this legislation. Boards may make regulations; committees may make offences; the governor in council may make regulations and crimes, and, as someone reminded me this afternoon when I said they could do this when parliament was not in session, they can do this when parliament is in session as well. I meant that they were not as likely to exercise those powers when parliament was in session; I meant that these restrictions would be imposed after parliament prorogued, during the recess, as has been the case in connection with most of the orders in council that have been passed under the relief legislation. The subjects dealt with were not brought to parliament for discussion; one measure after the other, one guarantee after the other, one loan after the other, were put through at a time when parliament was not in session. I say you simply make it impossible for other nations to hope to enter into agreements with this country if you are going to increase uncertainties and further tie up trade in this way.

This legislation should be condemned because it proceeds on a basis that is fundamentally unsound and wrong. This legislation is based on a theory of scarcity instead of on a theory of plenty, as the one that should govern in matters of trade. This legislation is based on the idea that what is needed is limited production. That cannot be denied, and I heard my hon. friend the leader of the C.C.F. the other day denounce this theory of scarcity—and I think rightly so—as a basis on which legislation should be proceeded with in this country. We are not going to get out of the depression by limiting production more and more. We will get out of the depression when, with the plenty we have, we begin to take advantage of our plenty to offer to other countries terms which will enable them to trade with us. There is only one way in which a country can get out of a depression or in which a country can prosper at any time; that is by increasing its wealth and its facilities for exchange. All the wealth of a country comes from its natural resources. When you go to the root of the matter, the wealth of a country is not the amount of its legal tender; it is not a question of what is put on a bank note or what is involved in a bank credit. The wealth of the country is essentially what Providence has given to mankind; it is the products of the field, of the forest, of the mine and of the sea. These things, transformed by one process or another into articles available for human use, constitute our wealth. That wealth is there to serve the country and to bring purchasing power to the country as it is exchanged with that of other lands by means of international trade.

Our whole development has been built up on that theory. The construction of our railways, of our waterways and of all our agencies of communication, transport and the like, has been carried on at great cost on the theory that it was advisable to make possible the development of our great natural resources, and also to facilitate trade. To-day, however, as a result of policies which have been put into force by hon. gentlemen opposite, we have an entirely different theory. We are told that instead of plenty we must aim at scarcity; that in connection with the wheat grown on our western wheat fields, which we

once considered as the gold of the country, instead of trying to find out how that wheat may be exchanged for other commodities the thing to do is to destroy it and not to allow it to be produced or sold beyond a certain amount. So we see whither we are being led, and grain is only one commodity. We have now a policy of limited production, and I say that policy is wrong.

It is wrong in every way; it is wrong because, in the first place, it defies the very bounty of Providence itself. What is needed is a change in the method of distributing wealth, a more equitable distribution. Let this parliament busy itself not in limiting production but in seeking to bring about a more equitable distribution of what is produced, and we will soon find a way out. But under the protectionist ideas that have prevailed so strongly on the other side this creation of monopolies out of a few favoured manufacturing interests is being extended now to agriculture and other industries, with the view of trying to create a sentiment in all classes throughout the country which will lead them to consider that limited production is a desirable thing. Well, as I say, that is wrong. It is wrong for the further reason that all progress depends upon initiative and enterprise and self reliance and upon giving enterprise and initiative and self reliance a chance for development in different ways. If you are going to limit production; if you are going to make it a crime for a man to produce the things he is capable of producing and to sell the fruits of his own labour, because that is what this bill does, then you are simply destroying initiative enterprise and self reliance and the very soul of the people. It shows to what lengths a country may be brought when it enters upon a false course and continues that course to an indefinite end.

In these circumstances, Mr. Speaker, I wish to make plain the position of the opposition by moving an amendment which will state in very clear terms what our position is in regard to this legislation. In order that there may be no possibility of the amendment being declared out of order, I wish to indicate in advance the rule of the house under which it is being moved, lest it might be said by some that it was being introduced with the knowledge that it would be declared out of order. Rule 755, with relation to the second reading of bills, is as follows:

> It is also competent to a member who desires to place on record any special reasons for not agreeing to the second reading of a bill, to move as an amendment to the question, a resolution declaratory of some principle adverse to, or differing from, the principles, policy, or provisions of the bill—

[Mr. Mackenzie King.]

That is supported by May at page 357, and Bourinot at page 509 and is, I think, the rule that Your Honour cited the other evening as the one which should govern amendments upon second readings. In the light of that rule of the house, then, I beg to move, seconded by Mr. Stewart (Edmonton), that all the words after the first word "that" be struck out and the following substituted therefor:

> This house, while prepared to support legislation for assisting the orderly marketing of natural products, is unalterably opposed to the enactment of any compulsory measure which delegates to unnamed and undetermined individuals, groups or organizations, sweeping powers over the production and trade and commerce of the nation, and which confers upon a minister of the crown and upon the governor in council unprecedented authority and unusual powers to restrict production, and interprovincial, inter-Imperial and foreign trade as regards both exports and imports, as well as other autocratic powers.

Hon. H. H. STEVENS (Minister of Trade and Commerce): Before I address myself, Mr. Speaker, to a discussion of the measure before the house I should like to raise the point of order whether the amendment submitted by the right hon. gentleman (Mr. Mackenzie King) is in order, inasmuch as it constitutes what might be termed a declaration of policy, instead of offering reasons why consideration of the bill should not be proceeded with or should be postponed, or proposing something else germane to the actual motion before the house. I do not raise the point of order with the view of getting an immediate ruling but would request Your Honour to give it consideration, and my remarks also will serve to give hon. gentlemen opposite notice of the point of order.

We have listened, Mr. Speaker, for the space of nearly two and a half hours—

Some hon. MEMBERS: No.

Mr. MACKENZIE KING: No, two hours.

Mr. STEVENS: Two hours and twenty minutes, to be exact—

Mr. MACKENZIE KING: Two hours.

Mr. STEVENS: We will give the right hon. gentleman his wish and say two hours. It has been a lengthy speech at all events.

Some hon. MEMBERS: And a good one.

Mr. STEVENS: But I am not complaining of its length. My observation was going to be this: Listening to the right hon. gentleman I wondered if he was aware that there had been a world crisis during the past two years. Did he recognize at all that there had been a complete dislocation of world trade,

and that we in this country, in common with all the countries of the world, were confronted with new and baffling problems? What has actually happened in the world—not only in this country but in almost every other? We find that the chief countries at least, Great Britain and those of Europe, and I think we can add nearly every other, have been so disturbed in their internal economy as well as in their trade relations with other countries that there have arisen all over the world new and startling methods of doing business. That is a simple statement of fact, yet the right hon. gentleman throughout the whole of his speech never paid one atom or one moment of attention to it. He gave no consideration to the difficulties with which the primary producer—agriculturists, timber producers, fishermen—have been confronted in the last two or three years. No attention was paid to their problems. There was not a syllable in his whole speech devoted to offering a solution or encouragement, or even recognition of the existence of these problems.

What on earth has Green's history or the opinion of the historian Green about Magna Charta got to do with the price of eggs or hogs or butter? If the right hon. gentleman would just watch the financial page of his paper from day to day he would notice that the agricultural population of this country, constituting as it does about half our population, have during the past few years been suffering under a price condition which made the carrying on of their business almost an impossibility. That has been recognized. Just what to do to change that condition is the problem.

Some hon. MEMBERS: Hear, hear.

Mr. STEVENS: Quite so; we recognize it. Everyone who gives these matters serious thought recognizes it. It is easy to say: Raise prices and fix them. That sounds easy if you do not think about it at all. But when you address yourself to the task of attempting to raise, shall I say, the price of farm products or of other primary products to a level that will enable those who are producing them to live, you are confronted with one of the major economic problems of the time. The countries of Europe have been faced with the same thing to a certain degree, and I shall deal with them a little later. But I ask the right hon. gentleman, with regard to his reading us a lecture as he did for about half an hour on our disregard of the principles of Magna Charta, the Petition of Right, the parliamentary principles enunciated in the reign of William and Mary, while we all value these old principles, what on earth have they to do with the problems now before parliament? What ought to be engaging the attention of parliament are the things with which we are now confronted, and in the brief time at my disposal I think I shall be able to show that there are some very real problems facing parliament.

While I do not for a moment suggest that this bill is a cure-all for the evils of the present time I do say that the Minister of Agriculture in introducing the bill offered to parliament a proposal worthy of its serious consideration. Not that the bill is perfect; not that its details cannot be improved; not that changes may not be hammered out on the anvil of committee discussions, modifying details here and there to meet the will of parliament. But the purpose, the general scheme, the theme that runs through the whole of this bill, is directed to trying to improve marketing conditions in this country.

I submit, further, that many of the citations of the right hon. gentleman as he proceeded with his discussion of the bill were not fairly made, because he would cite some portion of a clause and indicate that it was a violation of parliamentary rights, and suggest that it referred, for instance, to production when the clause does not refer to production at all but says that the producers of certain goods may get together. What for? For the purpose of the better marketing of their goods. That is the theme of the whole bill—marketing.

Mr. MACKENZIE KING: I cannot let my hon. friend say that I misrepresented any clause. I simply say this, that Hansard will speak for itself and hon. members will find that every clause there given is correctly cited.

Mr. STEVENS: Hansard will speak for itself, but I shall refer in a few minutes to the clauses.

We admit, Mr. Speaker, that this bill is new and unusual in its character. But in this country, as in other countries, people have been struggling along under conditions that have been difficult, and have been clamouring for something out of the ordinary. Peoples all over the world have been very restive with governments because governments have been slow to depart from the beaten track. This bill is a departure; there is no question about that. But it is offered to the house in an effort on the part of the government to cope with unusual and difficult circumstances.

On the second reading of any bill it is supposed that the general principles will be discussed, but I submit to you, Mr. Speaker, that nearly every speaker who has preceded me from the other side of the house has

discussed the details of the bill clause by clause, when there was no opportunity, under our practice, for the minister in charge to correct wrong impressions, to interpret the meaning of a clause, or to receive from the opposition and other members suggestions of improvements in any particular clause. I think the result has been complete confusion in the minds of members of the house as well of the public as to the intent of the bill. I submit it would have been infinitely better if the details could have been left to be hammered out in the committee of the whole.

May I now turn my attention to the general theme, or, shall I say, the reasons behind the introduction of the bill. I shall be very brief in this portion of my remarks. Due to a fear in the hearts and minds of the people of Europe in particular as well as of other parts of the world there has developed, not during the last three or four years but during the last ten years, a tendency to erect barriers against foreign imports coming into their countries. This is based largely upon the desire of the people to produce enough foodstuffs to make them independent of other countries in case their fears are realized and another war should break out. I am not going into details; it is only necessary to remind the house of that fact in order that hon. members may appreciate the reasons why certain barriers have been erected against trade.

Another reason why the barriers have been erected is this: Countries have become bankrupt, bankrupt because of international debt, bankrupt because of their inability to meet their foreign obligations. So we find that many countries erected—

Mr. YOUNG: High tariffs.

Mr. STEVENS: My hon. friend is quite right—high tariffs and barriers against the inflow of goods. They desired to create credits abroad or—it is the same thing—to prevent the accumulating of debits abroad.

Mr. HANBURY: Or the exchange of goods.

Mr. STEVENS: That is another reason. Exchange conditions due to fluctuating currency was still another. Some of the countries of Europe adopted the quota system, and this system has become one of the major methods of control of trade throughout the world. Nations imposed a certain restriction on the quantity of goods which might enter from a foreign country. I think I mentioned on a previous occasion that France, one of the most wealthy countries in the world, has some 1,300 items on her tariff under quota. These quotas are put on so that only a certain amount of goods may come in from other countries. Trade is allocated and directed and a monopoly created in their desire for the protection of their own trade. Greece does nearly all her foreign business by the quota system. She will allow only a certain quantity of this or that commodity to enter Greece according to the purchases by other countries of goods from her. All of this has changed completely the method of doing business.

The right hon. gentleman speaks of Canadian trade as though we were back in the days before the war or in the period since the war when these new methods were only in the process of development. He speaks as though there were no obstacles, no difficulties, no great changes or no new problems. If that were so there might be some grounds for the complaints the right hon. gentleman has made, but the fact is that there is not a country of major importance in the world that I know of that has not introduced high tariffs, quotas, inhibitions and other means of preventing the movement of trade. This is not because this government or his government which preceded it did anything to provoke such measures; it is because of conditions inherent in the countries themselves, chiefly the conditions which prevail in Europe.

I turn for a moment to some of the other reasons why this bill was necessary. I have mentioned the external causes, but there is an internal cause as well. Let us consider the change which has occurred in Canada during the last fifteen years. For instance, look at the development which has taken place in the creamery industry. A few years ago there were hundreds—I was going to say thousands—of small creameries throughout the country. I could name half a dozen large creamery concerns which now control not the whole but substantially a large part of the butter moving to the markets of this country. This mass production of butter is internal to Canada. Take the packing industry. Within the last ten years quite a number of the small packing interests have passed out of existence and the control is now vested in two or three firms. This has created a change. Take cereal production: a vast change has occurred in the milling industry. In all of the realms of industry we find great organizations growing up for the handling of agricultural as well as other products. For the moment we are keeping our attention largely on agricultural products. This has brought about a need for a change in the marketing methods of the country. These products are now largely processed in the great centres and are marketed in large quantities, leaving the control not with the producer but with

the processing element which handles them. The bill now under consideration is designed to give some opportunity to the producers of agricultural and other products to get a fair chance in the markets instead of placing them under the control of the great marketing institutions which have grown up.

Unlike the right hon. gentleman, I am limited in my time, and I shall now turn to the bill itself. The bill has three major divisions. Before I state what those divisions are, let me say first that when the right hon. gentleman was closing his speech he referred to the fact that Canada was not like Great Britain. In that country there is one jurisdiction while in Canada we have a divided jurisdiction, that is, we have federal and provincial bodies. The hon. member for Comox-Alberni (Mr. Neill) said this the other night and he said it in condemnation of the bill. Had he given the matter a little thought he would have seen that the very construction of the bill with which he differs and about which he complains was necessary because of the fact of divided jurisdiction. In the first part of the bill provision is made for the erection of a general board to exercise the powers inherent to it because of federal jurisdiction. That will be a very limited jurisdiction, confined to internal Canadian trade or the handling of goods within Canada. Of course, when it comes to importing or exporting, federal jurisdiction will be supreme. When you come to direct the marketing of farm products within Canada you find yourself confronted with provincial legislation. The hon. member for Comox-Alberni will recall that provincial governments have often found themselves confronted with a limitation of jurisdiction on their part which prevented them from carrying out certain schemes, such as that which the fruit growers of the Okanagan wished to put into operation, or that of the milk producers of the Fraser Valley. I am not saying whether these schemes were good or bad; the point I wish to make in referring to the two instances I have mentioned in my province—others might be mentioned elsewhere—is that an effort was made by the producers to erect an organization which in their opinion would give them a better chance in the marketing of their products in the great consuming markets. They failed because of a conflict of jurisdiction.

In introducing this bill the minister has divided it into certain parts. One part erects a board clothed with federal jurisdiction. Another part provides for the acceptance by the federal board of cooperation by provincial or local bodies. It need not be provincial-wide; it might be local. For instance, a scheme, as it is termed, might be instituted in the Okanagan valley to deal with fruit. It might be developed, and it could come under the jurisdiction of the federal board, provided of course the provincial authorities gave the necessary sanction to that movement. It was for that reason that several of the provinces, knowing that this bill was coming forward, passed certain legislation, which might be termed enabling legislation to enable the local bodies or groups or the province as a whole to come under the jurisdiction of the federal board, or in other words to cooperate with that board. And so you have these two features.

A third feature in the bill, which might be referred to, and regarding which considerable complaint was indulged in by the right hon. gentleman this afternoon and evening, is the matter of investigation. In referring to this aspect of the measure I shall try not to violate the rules too far in going into detail, but I wish to discuss the question of principle and to reply to the complaint made by my right hon. friend this afternoon. He said that the committee provided for in part II of the bill for investigational purposes was in violation of the rights of parliament—that we were in a sense abrogating the rights and duties of parliament in this respect. I submit however that nothing of the kind can be read into this bill. The federal government having erected an organization that can cooperate with provincial bodies, surely there is no objection to such a body inquiring into spread, inquiring into the question whether or not the producer is getting a fair share of the consumer's dollar, to put it in a popular sense. That is one of the things we are trying to inquire into in the parliamentary committee. We all recognize that a parliamentary committee can never possibly cover the whole ground; we have had abundant illustration of that fact in the appeals that have been made to us to look into this, that and the other. But under federal jurisdiction, if parliament will accord this right and power, these investigations can be carried on. What difference on earth would there be between the work carried on by a body erected without all the formalities of a royal commission and the work carried on by a royal commission set up under the Inquiries Act? This government could to-morrow or at any other time erect a commission under the Inquiries Act to make an investigation into the very matters mentioned here, and it could be done at any time and parliament would not be consulted. Nor would there be any violation of the rights of parliament. All that this does is to recognize that in agricultural and natural products,

in the basic industries of the country, there is need for a very considerable degree of investigation; and, recognizing that, a committee is erected and made part of the act itself.

Mr. MACKENZIE KING: I took no exception to the investigation phase, but to the committee of investigation creating the offence. No royal commission can create an offence.

Mr. STEVENS: My hon. friend is right in part. He says he objects to this committee having the right to create the offence, but I do recall his reading paragraph 15, and he dilated upon the objection to a committee of this kind. He said, "Imagine a committee of this kind!"—and then he read the provision with respect to the difference between the price of which any regulated product is purchased and the sale price thereof.

Mr. MACKENZIE KING: I objected to the committee creating the offence, but I said I welcomed investigation.

Mr. STEVENS: Take section 21, to which the right hon. gentleman referred:

> Every person who, to the detriment or against the interest of the public, charges, receives or attempts to receive any spread which is excessive or results in undue enhancement of prices or otherwise restrains or injures trade or commerce in the regulated product, shall be guilty of an indictable offence and liable to a penalty not exceeding five thousand dollars or to two years' imprisonment, or, if a corporation, to a penalty not exceeding ten thousand dollars.

My right hon. friend objects to this because, he says, it removes control from parliament. But what does it do? It declares that any large corporation such as I have mentioned, or any body of that kind which indulges in a practice that is against the interests of the public, that is to say, charges, receives or attempts to receive any spread which is excessive, shall be charged with an indictable offence. Now what is an indictable offence? My hon. friend from Vancouver Centre (Mr. Mackenzie) will I think agree with me when I say that the meaning of this is that the person charged shall be charged in the regular courts of the land with the offence in question. He is haled before the county court or the supreme court, charged with an indictable offence, and he has the protection of the courts of this country, as he would under similar circumstances in any other British country.

I appeal to the right hon. gentleman to be at least reasonable and fair in matters of this

kind. He charges us with a violation of the rights of parliament, a usurpation of the liberties of the people, and an abrogation of the right of the people to appeal on this, that and the other. But the fact is that all the rights of the person accused are preserved. All that this does is to declare that in connection with this class of business with which we are trying to deal, where it is found on investigation that certain interests are obstructing the fair marketing of goods by certain practices, then such people shall be guilty of an indictable offence and haled before the courts and dealt with accordingly. Is there anything wrong with that?

Mr. MACKENZIE KING: My hon. friend has not touched the point at all. The objection I made was that this committee determines what is an excessive charge, what is the offence. What offence is, is not set forth at all in any of the provisions of the bill.

Mr. STEVENS: It has to be set out, just as any other such matter is, by regulation by the governor in council. The right hon. gentleman this afternoon discussed at considerable length the powers under the act. May I point out to him that there is not a regulatory statute such as the live stock act, or the potato grading act or the grain act, or a dozen, yes, a score of other acts, statutes of the country, passed when the right hon. gentleman was in office and when others also were in power, in which the power of regulation has not been given, and in which the regulations exceed in dimensions the scope of the act itself. And such regulations have never come before parliament at all, though they form part of the law—acts which the right hon. gentleman's government passed—though I am not blaming him for it—and, as I am reminded, the breach of any of the regulations of which acts is punishable under the acts themselves.

I have here the Root Vegetables Act passed by the government of the right hon. gentleman, under my hon. friend the member for Melville (Mr. Motherwell) when he was Minister of Agriculture. Let me cite this terrible abrogation of the rights of parliament:

> The governor in council may make regulations prescribing the quality, form and dimensions of all containers in which potatoes shall be packed—

This sounds alarming; I think we should look into it closely to see whether it is not a violation of Magna Charta. But will the right hon. gentleman listen to this? This

is what my genial friend the hon. member for Melville put over on him. He could never have noticed this when he was Prime Minister:

—and the materials of which such containers shall be made, and may prescribe penalties not exceeding fifty dollars and in default of payment of any such penalty, imprisonment for any term not exceeding one month, for the violation—

Of what?

—of any of the provisions—

Of this act? No.

—of any such regulations.

That is, regulations made under the act. If I had time I know I could cite half a dozen statutes in every one of which similar provision occurs. The Minister of Justice (Mr. Guthrie) advises me that the same provision is in 125 statutes out of some 225. I say to my right hon. friend that there is scarcely a statute having anything to do with regulating business, trade and commerce, internal or external, in which such provisions do not appear.

Mr. MACKENZIE KING: Will my hon. friend tell me of one instance where a body not connected with parliament has the right to determine an offence?

Mr. STEVENS: That is not the point. It is the governor in council that is provided for all through the measure.

Mr. MACKENZIE KING: I am talking of the committee that it is intended to create under the bill.

Mr. STEVENS: I shall come to the committee and the board in a moment. The point is that these statutes, and properly so, cannot be administered by regulations that have their origin in parliament. Take, for instance, the Meat and Canned Foods Act. That is an act which must provide for the size of the container; whether you shall put pectin or apple juice or anything else in strawberries; what is to be the quantity of liquid and the quantity of solid matter in a can of tomatoes or plums or peaches or peas or corn or beans, and so forth. There is a small book of perhaps fifty pages of regulations, not one of which ever came before parliament. Parliament would not be bothered with them, yet they are and have been in force and my right hon. friend and his government enforced them, and properly so, for years. All we are asking is that parliament do the same thing in this instance.

The right hon. gentleman said that this bill was calculated to restrict trade, to restrict production and to create monopolies. Those were his words; I copied them down exactly. This legislation was brought into this house not to do any of those things, but on the contrary to make possible the movement of goods in Canada in something like an orderly manner and to protect the rights of exporters in the marketing of their goods abroad.

Mr. MACKENZIE KING: May I ask the minister a question? Just what is the meaning of the title of clause 12, "restriction of imports and exports"?

Mr. STEVENS: I shall explain that; in fact I was about to do so. I was about to say to the right hon. gentleman: What would he or any administration do under these circumstances? I shall not name countries, because I do not want it to go out that I am criticizing what countries in Europe and elsewhere are doing; but a certain European country notifies Canada that it has imposed a quota on, let us say, canned salmon. They say to Canada: Your quota of canned salmon is 150,000 or 750,000 or 500,000 cases, a certain limited quantity. How is the right hon. gentleman going to direct that? It happens that in this instance—and perhaps I was unhappy in my selection of it—that the industry kept within the quota without any difficulty. But suppose we had a huge surplus over and above that quota which had usually gone to that market; who is the one who is to determine whether company A or B or C or D shall have unlimited access and who is to be restricted? That is not a duty that we are choosing to bring on ourselves; it is a duty imposed upon us.

Let us turn, for instance, to something that is known generally—the question of live cattle going to Great Britain. I am not for a moment complaining about the action of Great Britain; that is their own business. But Great Britain has asked that a certain quota of cattle shall be observed. I think we shall probably manage that without any great difficulty, but if the point is reached where we must stop sending cattle over there, let us say for a few weeks, what authority will say which person's or company's cattle shall go forward? Who will determine that? Surely there must be some power or body to do that. I can name a whole list of items where a similar situation may arise. It does not follow that that ends our market; it does not follow that we cannot ship more abroad, but it does follow that we are bound to respect the laws and wishes of the country in which those regulations are imposed and, moreover, they are and will be imposed whether we disregard them or not, so that in our own interest we must take suitable action so to direct our exports that the quota shall be observed.

Therefore, in this bill we have, as the right hon. gentleman says, a part which deals with the control of exports and imports. I say to him at once that this may be termed a form of quota, not something that we have adopted in order to impose our system upon somebody else, but something that is practised in every country in Europe, for example, Italy, Spain, France, Switzerland, Norway, Sweden, Denmark, Holland, Poland I think—I am not quite sure of Poland—Greece, even in England, Bulgaria, Austria, Hungary. In all these countries a quota system is in force definitely and absolutely and imposed against the other countries of the world. In the face of this situation, what machinery would my right hon. friend erect if he does not accept this?

Mr. MACKENZIE KING: What has been done right along?

Mr. STEVENS: I shall tell him that the task has been a very difficult one. It has been part of my duty as Minister of Trade and Commerce in some instances through officials of my department to get in touch with exporters to ask them to try to adjust their business, and they have done so; but in the last two years these quotas have been extending rapidly, not against Canada only but against all other countries. The time has come when we must have in this dominion some machinery which will enable the government to regulate the movement of those goods if we are to keep faith nationally with other countries and at the same time to do justice to our exporters. If I cannot appeal to my right hon. friend, I appeal to hon. gentlemen opposite who are interested in this matter: What other method would they suggest which we could use which would adequately deal with the situation?

The right hon. gentleman says: But oh, this bill will give power to a body—and I remember he said this with a sort of dramatic emphasis—not yet in existence. What is legislation brought before parliament for? It is for the creation of these bodies, and that is precisely what we are trying to do in this case to-night. We are offering to parliament a proposal to create a body to do these things. Of course that body is not yet in existence; it could not be. Why should my right hon. friend, with that facility of language for which he is so noted and that peculiar intonation, suggest to the mind of his hearers the suspicion that something is wrong? Nothing is wrong with the bill; it simply and boldly and clearly sets out what the government asks parliament to set up so that we may carry on the business of the country. Oh, he says, but parliament will have no more control over the trade of the country; parliament is being asked to abrogate its rights. We are turning it over, he said, as did the hon. member for Winnipeg North Centre (Mr. Woodsworth), to a body not yet in existence. We are doing nothing of the kind. The very fact that this bill is before the house is a recognition of the rights of parliament. We come before parliament and tell of the difficulties with which we are confronted; we consult with parliament as to how those difficulties are to be met. In doing that we are bound to come with some definite proposal. Does the right hon. gentleman expect us to come to parliament and say: We are faced with a lot of difficulties and we do not know what to do; will parliament please tell us what to do? If we did that, the right hon. gentleman would very properly say that the government had better vacate office because it has no mind of its own. It is the duty of a government to formulate a scheme which in their judgment and in the light of their experience is one which will meet a given situation, and to present that scheme to parliament. This we have done. I repeat what I said in my opening remarks; I know that the Minister of Agriculture, in charge of this bill, will welcome in the committee all fair criticism and constructive suggestions from hon. gentlemen in any part of the house. I have no doubt that there will be suggestions that will improve the bill; if there are I certainly will join with him and with others in welcoming them.

Then the right hon. gentleman complains that this bill creates a scheme. He does not like the word "scheme," but I think it is the word used in the British act, so it cannot be very far astray. And he says that a group may be set up under the scheme, and he used these words, "all others will be excluded from that group, and some favoured group will have control." Now the right hon. gentleman knows better than that. What is the purpose of this part which provides for the erection of what is termed a scheme? As I said, we cannot exercise powers which are reserved to the provinces, and we recognize that there might be a group in a province or in a section of a province that wished to have a more regular or orderly marketing of their goods. Let me take as an example the apple industry, and in this connection I invite my hon. friend from Hants-Kings (Mr. Ilsley) to ponder what he said the other night. I think he made a most excellent speech; with much of what he said I find myself in accord. If I recall his position correctly he did not

object to any scheme or regulation that would control quality, but he did object to control of quantity. Let me point out a situation that may very well arise. The apple growers of Nova Scotia or Ontario or British Columbia, all more or less independent groups, could form their schemes, could come together under a federal board in order to market their goods in an orderly manner. I invite him to consider carefully what happened last autumn. Nova Scotia had a phenomenally fine apple crop, and other sections also had good or fair crops. All these crops reached proper marketing condition inside of a few months, I think from about the middle of September to the middle of November, and there was a tendency to pour the apples on the British market. Remember that Great Britain also produces very fine apples, particularly in the southern part; and these come on the market at the same time. Then, as I think he or one hon. gentleman opposite mentioned, Australia and New Zealand, whose apples are marketed I think in May, June and July, sent an unusually large quantity to the British market, so that the Australasian apples were still pressing on the British market when the British and Canadian apples came along. It happened that our apples were poured in there in unrestricted quantities with the result that the market was very seriously disturbed and in a measure destroyed. The Minister of Agriculture there was so much perturbed because of the substantial loss threatened to producers that there was a very urgent demand for the imposition of a quota and a restriction of imports. That restriction was not definitely imposed last autumn, but I do say that if such a condition arises again, as it may and probably will, I do not doubt at all that there will be a quota imposed. Would it not be much better if before such a situation arises the Canadian representative could go to the British Minister of Agriculture and discuss the matter with him, estimate the needs of the market, and then that we should allow our fruit to pass on to that market in an orderly way instead of crowding it on without regulation, disregarding the rights of the British producer and the conditions of the market? That is precisely the sort of thing we are trying to provide for in this bill.

My hon. friend was going to ask a question?

Mr. ILSLEY: I was going to say that the essential objection was to our flooding the market with inferior grades; therefore control of quality would have met the situation perfectly and would have been all that was needed. I suggested the other night how that could be brought about without the expense of the complicated and cumbrous machinery of this bill.

Mr. STEVENS: I agree with my hon. friend that a substantial part of the trouble was due to the exportation of inferior grades. There again we see the necessity of this bill. But I do not fully agree that control of quality would be as effective as control of both quality and quantity. I have no hesitation in saying that either you are going to be faced with chaos in a number of branches of agriculture or you must have some machinery that will enable this country to direct its marketing in an orderly way.

Mr. MACKENZIE KING: The minister began to take exception to a remark I made, and I think the words he took exception to were "all others will be excluded." But he did not go on to speak of that. I believe the minister misunderstood. His inference probably is that I meant all other producers of the same class of goods. I did not mean that. What I meant was, other classes in the community, persons belonging to other trades, callings and professions, and consumers.

Mr. STEVENS: I appreciate that point, and the explanation. However, it does not alter this, and we will stick to the case I have given. Is it not desirable that the apple growers of these three provinces should be brought together in some common understanding of this export business? For instance our friends in Nova Scotia, who are only five or six days distant from the British market can pour their apples in while British Columbia and Ontario might be handicapped in that regard. Or British Columbia might have say 10,000 cases going through by way of the Panama canal in cold storage; the market is in danger of being flooded, and someone from eastern Canada pours his apples in and destroys it. No one, I am sure, desires that. Yet that is a condition that is very likely to arise. As a matter of fact the preference that we enjoy on apples, speaking of that particular commodity, will be frustrated and dissipated if we do not take great care in that regard.

I have already dealt with the complaint made by the right hon. gentleman as to creating a crime. I do not wish to detain the house further. There are a number of details that I should like to discuss, but I think it would be very much better if the various clauses of this bill were discussed

in committee of the whole, so that we may focus our attention upon the clause immediately before the committee and not deal with it in a general way together with other clauses without giving the minister in charge of the bill an opportunity to reply.

I will therefore conclude my remarks, Mr. Speaker, with the observation that the bill as it is introduced is prompted by one desire only, and that is the desire to assist in directing the marketing of Canadian products in the Canadian and foreign markets. That is the genius of the bill; that is the object and desire of the bill. It may be that in order to achieve that end it will be desirable to, shall I say, have some measure of control over production if, for instance, there is a reckless production in some section of the country to the detriment of others in connection with our export business. Or let us look at it in this way: assuming that cattle are being exported that are not fit for the British market, is it not highly desirable that we should have some body to determine what cattle or what class of cattle should be exported? These are the sort of things—and I could name a score of them—that might properly come under the direction of this board.

With regard to the manner in which the board is set up, I think it is set up as other boards have been created. It has been complained very bitterly that the salaries of those who are to constitute the board are not named in the bill. That is a question which might very well come up in committee. My hon. friend from Comox-Alberni (Mr. Neill) complained that the number of members composing the board has not been named, and I might indicate to him why it might be perhaps inadvisable to put that number in the bill. This central board, which we will say might consist of three, might find it desirable to set up committees to deal with apples, tobacco, hog products, milk, dairy products—

Mr. HANBURY: Lumber.

Mr. STEVENS: Yes, my hon. friend can carry it to other natural products such as fish and lumber. Assuming that this was desirable, would it not be much better if the government had a certain amount of liberty to add extra members to the board if desired? That, I think, is the only reason the matter is left open. This is new legislation. This government will be back here next session; there is no doubt about that, and we will be back here for the next parliament as well. Next session, without doubt, we will be subjected to close examination as to how this bill has been administered. There is no chance of parliament being deprived of its right to control and direct its affairs, but let me again remind the right hon. gentleman that in questions of trade, in questions that have to do with the processing, the marketing and the controlling of our natural products, in all existing statutes or in any statute that would be workable there must be a certain measure of administrative liberty left to the government or else the thing would be hopeless. Imagine having to come to parliament and ask for a resolution approving of the setting up of this, that or the other body. The right hon. leader of the opposition and the hon. member for Comox-Alberni said the other night and to-day that in the British house they go to parliament and pass a resolution. The British house sits practically the year round. They adjourn for about a month at Christmas, as a rule; during the dog days in August when no one does any business at all they usually adjourn again, and outside of a short adjournment at Easter, the British parliament sits the year round. So they have a different situation; they are a small compact country with one parliament. Here we have the handicap—and I think it is a distinct handicap—of nine parliaments in the country in addition to our own. We have the task of trying to keep ourselves in contact and harmony with these various legislative bodies, at the same time carrying on the administration of the country, with this parliament adjourned for seven months of the year. Obviously it would be impossible to follow the British course and come to parliament in connection with the direction of an act of this kind. It would be absurd and ridiculous for any government to suggest that such a thing should be done.

So, Mr. Speaker, we offer this bill to the house, not as a finished product but as a new piece of legislation designed to meet an unusual condition which has grown up in recent years. We ask parliament to cooperate with us in hammering it into workable and suitable shape so that it may be administered in the interests of the country as a whole.

Mr. WILLIAM DUFF (Antigonish-Guysborough): Mr. Speaker, I am sure we were very glad indeed to hear the Minister of Trade and Commerce (Mr. Stevens), in his fifty-five minute address, endeavour to give some reasons why parliament should accept this bill. His first remark was that conditions in this country were different because we are in the midst of a world crisis. When I heard

him make that statement I was reminded of the words of Robert Burns:

> O wad some power the giftie gie us
> To see oursel's as ithers see us!

I remember reading in the newspapers the addresses made by the Minister of Trade and Commerce and other members of the government during the 1930 campaign; the world crisis was never mentioned. It was said to be purely a Canadian crisis; the world had nothing to do with conditions in Canada. Hon. gentlemen opposite tried to make the farmers believe they should have seventy cents a pound for butter, for one thing. The minister did not explain whether this bill is going to give the farmer more or less for his butter, but I think I can prove conclusively that whether it is a matter of butter, of wheat, of fish or of anything else, this bill, instead of increasing prices will lower prices. The strange point about the minister's remarks with regard to the world crisis, Mr. Speaker, is the fact that yesterday the Minister of Finance (Mr. Rhodes) took twenty-five minutes to tell us that the world crisis had passed. Tonight the Minister of Trade and Commerce tries to tell this parliament that this bill is necessary because there is a world crisis in which Canada is involved.

The minister also said it was necessary to do something for agriculture. Well, it has taken hon. gentlemen opposite a long time to find that out. They have been in power for four years; for four years they have done practically nothing. Now the mountain has laboured and brought forth this mouse sponsored by the Minister of Agriculture (Mr. Weir). A strange thing happened, however, during the address made by the Minister of Agriculture when introducing this bill. During his whole speech he did not take one minute to tell us what remedies were proposed for agriculture or the other primary industries of this country. He spent a great deal of time telling us about a calf that was taken to the stockyards from somebody's farm and that lost weight during the journey, but he did not say a word as to what this bill would do for the farmer or how it would improve conditions in the farming communities or in any other productive industry. I remember also that in discussing both the resolution and the bill the minister did not want us to ask any questions; in fact he would not answer us when we asked him to tell us what the bill meant. These are the hon. gentlemen who now come here and tell us that this bill is going to deal with and solve all our troubles.

What else did the Minister of Trade and Commerce say about this legislation? He referred to the fact that Greece and other countries have restricted trade by means of quotas. Surely it is bad enough for foreign countries to impose quotas on goods exported from Canada, but the Minister of Trade and Commerce admitted that by this bill the government was not only going to help foreign countries put quotas against our exports but was going to say to these other countries. "We have put extra quotas on ourselves so that our goods cannot be exported to foreign markets."

What else did he say, Mr. Speaker? He said that there was no intention on the part of this government by this bill to abrogate the rights of parliament. I say, Mr. Speaker, and the leader of the opposition has said, that by this bill the rights of parliament are being abrogated. But that is not all. In addition to the rights of parliament being abrogated, the rights of the private citizens of this country, which in my opinion are as important, if not more important than the rights of parliament, are being abrogated by this bill.

In order to make an argument the Minister of Trade and Commerce referred to the apple industry, and he wanted us to put a quota upon it. It is quite evident that the Minister of Trade and Commerce is not very well informed so far as his department is concerned, because that is the department that has to do with trade and commerce whether internal or external. I say to the Minister of Trade and Commerce that there is great objection to this bill, not only in the province of Nova Scotia where apples are grown and marketed, but also in the great province of Ontario; and I would not be surprised, although I do not know, if there was not the same objection in the province of British Columbia because only the other evening my hon. friend from Yale (Mr. Stirling) in his speech in this house damned the bill with faint praise. He did not come out flatfootedly in favour of it, but in his effort to support the government skated around the bill and said that perhaps it might be advantageous to the apple growers of the Okanagan valley and the rest of British Columbia. I would ask the Minister of Trade and Commerce or anybody else, who are the better judges as to how and when the apples should be shipped than the men who are growing the apples and the men who pay their good money to buy them from the producers of Nova Scotia, Ontario and British Columbia? Does the Minister of Trade and Commerce

dare to say to me or anyone else in this house that a local board—comprised of whom? Comprised when the Tories are in power, and especially with an election in the offing, of Tories, of course—

Mr. LOUCKS: Oh no.

Mr. DUFF: Yes, and let me go further and say that when the Grits are in power certain interests and certain people will want jobs on that board just the same as when the Tories are in power. Does my hon. friend mean to tell me that the men who have put their money into this industry, the producers who ought to get every dollar they can out of it, are not in a better position to know when to ship their fruit than a local board comprised of heelers of one party or the other?

I go a step further. I say that this bill is not receiving the approbation of the people of this country. Those who have had a chance to study the bill are opposed to it. I say that the business men in this country are opposed to it and the producers who have had a chance to learn what the bill contains are opposed to it. I say further that within the next month when the people who do not know what is in this bill, but who naturally were hoping that there would be something good in it for the producer, when the common people of this country and the producers of agricultural products, of fish and of lumber, come to realize that instead of giving them higher prices this bill is going to drive the agriculturists off the farm, the fishermen off the sea and the lumbermen out of business by the restrictions it imposes, there will be general disapprobation throughout the country.

What does the Conservative press say of this bill? Surely if anybody should favour it we would expect the Conservative newspapers to do so. I have clippings here from four or five Conservative newspapers, but I have time to read only one. It is taken from the Montreal Gazette of March 27. Everybody will admit that the Montreal Gazette, even if it is a Conservative paper, is perhaps the sanest newspaper in Canada. What does it say about this abominable bill?

> The provisions of the natural products marketing act open the door to more government interference in business and in a much wider field than any to which such interference has been restricted in the past. The legislation is evidently based upon the assumption that those who are engaged in the production and marketing of fishery, farm and forest products do not know their own business.

Can you imagine, Mr. Speaker, suggesting that the men who go down to the sea in ships and the men who work on the farms and in the lumber woods do not know their own business better than any Tom, Dick and Harry who will be appointed by the Minister of Agriculture?

Mr. SPEAKER: I do not wish to interrupt the hon. member, but it is not in order to read articles in newspapers, letters or communications emanating from persons outside the house and referring to or commenting on or denying anything said by a member or exxpressing any opinion reflecting upon proceedings within this house. A bill is now before the house and it is not in order for hon. members to read comments in newspapers reflecting upon it. I must ask the hon. member to obey the rules.

Mr. MACKENZIE (Vancouver): Do I understand, Mr. Speaker, that it is out of order for an hon. member to quote from a newspaper discussing a bill actually before the house? I understood that rule to mean that you could not quote any extract from the press reflecting upon an actual debate in this house, not upon any bill or measure, surely, that is now before the house for consideration. Otherwise half the debates in this house would be suppressed.

Mr. SPEAKER: The rule is plain enough and easy enough to understand.

Mr. DUFF: I bow to your ruling that the rule is very plain, Mr. Speaker. There is no question about it at all. If I am not to be allowed to read this article I will say that the Montreal Gazette, a strong Conservative paper, condemns this marketing bill in all its moods and tenses. It is absolutely opposed to the bill, and says that it will never be workable and that it is an interference with business in this country. That is sufficient for my purpose, when a paper like the Montreal Gazette condemns this bill in such a manner.

It is impossible for me in the short time at my disposal to deal with the bill at any great length. Consequently I shall deal only with one effect it will have on one natural product in this country, and I want to preface my remarks by saying this: in my opinion, instead of helping that industry this bill is going to drive it to the wall. Due to the policies of this government in the last four years that industry is practically on its last legs now, and it is going to be the last nail in the coffin, in my opinion, when this bill goes into effect. I refer to the great fishing industry in this country. I am going to deal with that industry in two of its phases: first, as to how this bill will affect the fresh fish industry, which is altogether an internal

trade; and second, how it is going to affect the salt fish industry and the prepared fish industry, as far as foreign trade is concerned.

Let us see what will happen. Under this bill we are going to set up in this country different boards. What to do?

—to regulate the time and place of marketing the regulated product, and to determine the manner of distribution and the quantity and quality or grade of the regulated product that shall be marketed by any person at any time, and to prohibit the marketing of any of the regulated product of any grade or quality;

What does that mean as far as the fish industry is concerned? In the first place, how are these boards going to operate in the maritime provinces, on the great lakes and on the Pacific ocean? Anybody who knows anything about the geography of this country and knows anything about its business, and surely the Minister of Trade and Commerce should know something about it if anybody does, knows that in the provinces of Nova Scotia and New Brunswick, all along the Atlantic coast from Grand Manan to Cape North and extending up to Northumberland straits, there must be at least two hundred fishing hamlets each separate from the other. I want to impress that upon the house, that there must be two hundred different fishing hamlets from Grand Manan to Cape North. Will there be a local board set up in each community? If not, what good will a general board be if it is separated a hundred miles from the fishing community? Do you mean to tell me that the fishermen of Necum-Teuch will have to go to Halifax to consult the local board? Do you mean to tell me that the fishermen of Cole Harbour will have to go to Canso or somewhere else to consult the board? Do you mean to tell me that the fishermen of Glace Bay will have to go to North Sydney to consult the board? The thing is ridiculous on its face.

What is going to happen in the marketing of fresh fish? I claim that these boards will be no good and that they will not be able to carry out the functions which they are supposed to carry out as far as the fishing industry is concerned. What about the purchasing and selling of the product of the fresh fish industry? How can this bill help in any degree the producers of the fishing industry? The fishermen go out in the morning at four o'clock and bring in the fish fresh that evening. They must dispose of their fish immediately. We know what government officials or most of them are like; they interfere with every business instead of minding their own. These officials of the board will walk down on the wharf and they will say to the fishermen who have fresh fish in their boats: "You cannot accept that price of two, three or four cents per pound which the buyer is willing to pay you; you must keep your fish until to-morrow, the next day or the next week when it will be rotten so that the board can tell you when you can sell and at what price." That is what this legislation means. Let us assume that there is no interference and the buyer purchases the fish. He gets ready to box them up, he gets ready to ice them. Perhaps during the morning and before the fish were caught he had received telegrams from Montreal, Quebec, Winnipeg and other places offering him a certain price for fish and agreeing to take a certain quantity. This officious local board may be comprised of people who are the enemies of fishermen. They go down to the wharf and they say to the buyer: "You cannot sell your fish; you cannot ship them to Toronto, Montreal, Quebec or anywhere else." The buyer may have to show his telegrams and correspondence and the board may say, "You must hold this fish until to-morrow when the price will be higher. Telegraph your customer that instead of selling them for eight or nine cents delivered, you must have ten cents per pound." In the meantime the ice melts and the fish go bad. While the boards at Canso, Lunenburg, Yarmouth or elsewhere in Nova Scotia may be holding fish in that way, the boards in New Brunswick, whose officials may have more common sense, may permit fish to be sold. The result will be that the fishermen in New Brunswick are able to dispose of their fish while the fishermen in Nova Scotia cannot because of the interference of the board. That is exactly what is going to happen as far as the fresh fish industry is concerned.

Mr. MacDONALD (Cape Breton): In that event the board would have to compensate the fishermen.

Mr. DUFF: Perhaps I had better deal with that right now. What a nice time the fishermen will have in trying to get compensation. The hon. member for Cape Breton South (Mr. MacDonald) knows as well as I that the fishermen receive their money as soon as their fish are landed and weighed. My hon. friend knows that the fishermen of Nova Scotia cannot wait a day or a month for a board to report to Ottawa and an investigation to be held. My hon. friend knows how hard it is to get money from this or any other government. They fool and humbug around for months, perhaps for years before they pay their honest debts.

Mr. MacDONALD (Cape Breton): Then these fishermen will hardly ask for a board.

Mr. DUFF: The fishermen do not have to ask for a board, the minister can appoint one. Some officious Tory in Lunenburg or Canso or somewhere else who wants a job can get in touch with the minister from Nova Scotia. He will go to the Minister of Agriculture and a board will be appointed in spite of the protests of the fishermen that they do not want one. If my hon. friend will read the bill he will not make any such mistake in the future.

Mr. MacDONALD (Cape Breton): Speak for your own party, not for ours.

Mr. DUFF: My hon. friend cannot get away from the fact that he said the fishermen would get compensation. It would be impossible for that to be put into effect as the fishermen must have their money immediately. I know the trouble there would be in getting compensation, and my hon. friend knows it just as well as I do.

Mr. MacDONALD (Cape Breton): The bill reads:

> The board shall, subject to the provisions of this act, have power to compensate any person for loss sustained by exporting, storing or withholding from the market any product pursuant to any determination or order of the board.

Mr. DUFF: If that is true, perhaps the best thing for the fishermen to do would be to get in cahoots with the board and have it refuse to allow them to sell their fish and they would then obtain a better price for them by obtaining a fuller compensation. Under present conditions the fishermen do not get very much and the money would be coming out of the treasury. That is not the proper way to do business in this country. Why should the fishermen, the farmers or anyone else be compensated from the treasury because they are compelled to withhold their product from the market? That is not right and neither the fishermen nor anyone else wants that kind of legislation. They want to be able to go out and get the best price they can obtain; they do not want to have to appeal to a board and then obtain money from the treasury of this country because that board will not permit them to sell their product.

An hon. MEMBER: That will make a lot of work for the lawyers.

Mr. DUFF: My hon. friend behind me says that that will make a lot of work for the lawyers. What about the salt fish industry? I am again going to refer to my own province. My hon. friend knows as well as I that there is a large salt fish business in Nova Scotia. The fishermen catch fish fresh and take them ashore. They sell them to buyers who split and salt them and put them down in puncheons. Provided there is no interference in this bill, the fishermen get their money when they land their fish. There are perhaps hundreds of people in Nova Scotia engaged in buying fresh fish from the fishermen and salting them and putting them in puncheons. For the sake of argument let us assume that there is no interference by the board as far as the purchasing of fish is concerned. The buyer buys the fish, salts them and puts them away in puncheons. He leaves them for two or three months. Perhaps he has used up all his own money and he goes to the bank and borrows money on the fish he is getting ready for shipment later on. He may receive an offer from Gloucester or Boston for this salt, pickled fish but the board steps in and says: "No, you cannot sell this fish in Boston or Gloucester at that price; you must wait for a higher price." Perhaps this man may be kept from shipping his fish for two or three months. In the meantime the market has gone down. Why? Because the Gloucester and Boston fish men, finding they cannot get salt fish in Nova Scotia, go to Newfoundland, to Norway if necessary, or perhaps to New Brunswick, where the board may have more common sense than the one in Nova Scotia. They obtain their supplies from those places. The result is that in three or four months' time, when the embargo is lifted and the local board allows the dealer to ship the fish to Boston, he has to take a cent or two cents less per pound. My hon. friend says that he is compensated; but, I ask, why should there be any necessity for compensation? Is it due to the stupidity of the officials appointed by the government? Is that the reason why the compensation clause appears here? Why does not this government allow trade to flow naturally? Why should the government say to any man, "You shall not ship your salt fish to Boston or to Gloucester even if you wish to"? That is the man's own business and the business of the bank that advances him the money.

This bill is not fair to anyone, whether it be the man who catches the fish, the man who handles it or the man who sells it. And what about our foreign trade? In the maritimes there is what is known as the salt fish industry. There is pickled fish, herring and mackerel, and my hon. friend from Cape Breton South knows that in the island of Cape Breton the fishermen catch tens of thousands of barrels of mackerel and herring.

They go to the small business men in the community in the spring and obtain supplies —barrels, salt and nets with which to catch the fish. They go out and catch the fish and bring them in and split them or gib them, then they salt them and put them into barrels. Well, what will happen now? After the fish are ready for market this local board comes along and says to the fisherman, "You cannot sell your fish to the storekeeper in Louisburg; you cannot even send them to Halifax until we give you permission to dispose of them." What happens? In other parts of Nova Scotia there may be thousands of barrels of mackerel awaiting shipment and the local boards in these other places may allow the fishermen to ship their product to Halifax or to other purchasers of mackerel and herring in the province, and in the meantime the Cape Breton fishermen are left with their fish on their hands. By and by the market goes down and when the purchaser in the West Indies has all his bookings made for five or six months—because that is what they do—and all his arrangements to buy mackerel and herring have been completed so far as Nova Scotia is concerned, when he cannot get the commodity in that province he will go to Newfoundland and the fishermen in Cape Breton will be left with the herring and mackerel on their hands because the board would not allow the fish to be shipped out.

And who is to determine the loss? The local board, the Minister of Agriculture, the Minister of Finance, who represents Richmond and West Cape Breton, where thousands of barrels of mackerel are caught every year? Who is to interfere, who is to fix the price, who is to use influence with the government to get the money paid as my hon. friend says the act provides? Who ever heard of business being carried on in this way?

Let me discuss something else in connection with salt fish. In addition to mackerel and herring, as my hon. friend knows, from Cape North to Grand Manan there are thousands of quintals of dried fish, cod, hake and pollock. This fish is caught and dried every year. Now, there is in the bill a section that provides that if the fisherman does not obey the mandate of the local board, if he does not take out a licence or do a hundred and one other things he shall be liable to fine and imprisonment. But what does the poor devil at Neil's harbour know about this legislation? He catches the fish and takes it ashore; he dries the fish and takes it to Halifax. When he gets to Halifax another officious local board appears on the wharf and says to him, "How much can you get for that codfish?" He and the other fishermen with him say, "We have had four or five offers at such and such a price," but the board says, "You cannot sell the fish at that price; you have to get more money for it. You must wait for more money." The result is that the fishermen have to lie around Halifax until the board is ready to lift the embargo; otherwise they will be obliged to take the dried codfish back to Neil's harbour or to Ingonish as the case may be. If that happens, then next winter my good friend who represents the constituency in which these places are situated will come to Ottawa and inform the Minister of Agriculture that the fishermen have sustained a loss as a result of the order made by the local board, and the hon. gentleman will endeavour to get money for them—and none will work harder than my hon. friend from Cape Breton North-Victoria. But he will not succeed, and the result will be that the fishermen of Neil's harbour will have their catch left on their hands or will have to sell at a reduced price, because that is precisely what the effect of this legislation will be.

But supposing, after some delay, the fishermen are allowed to sell their fish to the exporter; what happens under this law? Let us see what it says, so that my hon. friend will realize that I am simply stating the facts. The board shall have power:

> To regulate the time and place of marketing the regulated product, and to determine the manner of distribution and the quantity and quality or grade of the regulated product that shall be marketed by any person at any time, and to prohibit the marketing of any of the regulated product of any grade or quality . . . to compensate any person in respect of any shipment made pursuant to any determination or order of the board to a country whose currency is depreciated. . . .

Let me deal for a moment with that last provision. Why should the treasury of this country compensate me if I choose to sell fish in a certain market where the currency is depreciated? I will give an example. Two years ago, owing to certain conditions, the Canadian dollar was worth only 76 cents or, to put it another way, the American dollar was worth $1.24, while the English pound in Trinidad was worth only $3.80 instead of $4.86. Now, I was shipping fish to Puerto Rico and I sold my bills of exchange at a premium of 22 or 23 per cent, whereas in Trinidad I had to take $3.80 for the pound sterling. Surely it is a matter of trading. Why should this government insert in this bill a provision to the effect that if anyone sells in a country whose currency is depreciated the treasury of this dominion should compensate the shipper?

Let us suppose that English currency were depreciated after the passage of this measure, as it was a year ago. It is true that goods shipped from Canada to Great Britain were paid for on the basis of $3.80 or $4.40, or whatever it was. But had it not been for the interference of this government, had they allowed the goods which the people of Canada bought in exchange for the goods they shipped to come in freely, it might have been as broad as it was long and no one would have suffered. But the trouble was that the Minister of National Revenue imposed a dumping duty to the extent of the difference in value between the pound sterling and a certain fixed amount.

As an exporter, I submit that this currency situation is all wrong, and the government has no right to compensate me if I sell in a foreign market in which the currency is depreciated. The Canadian product enters into competition with fish from other countries. Fish from Cape Breton and from my own constituency of Guysborough, from Halifax county, from Lunenburg and Grand Manan, goes on the foreign market in competition with fish from Newfoundland, Norway and even Great Britain and the United States. It is a well known fact that large stocks of fish are put into storage in the fall of the year from October to December, and those stocks have to do until June of the following year. The exporter or the fish merchant buys those fish from the fishermen and he pays the fishermen the current value for them. If he has not sufficient money of his own, he goes to the bank and borrows it under section 88 of the Bank Act. The result is that in many cases large sums of money are loaned to the different exporters of fish in Nova Scotia. Those men fill their storage plants with fish; they pay the labour for putting them in; they pay fire insurance on the fish and they pay interest every month on the money borrowed. But when they want to sell some fish, when they want to dispose of the article, when they desire to pay the bank part or all of the money they have borrowed from it, this legislation steps in and some local board says: Oh, no, you cannot sell your fish in a foreign market unless you get a certain price for it. They compel the exporters in the first place—and I object to this—to expose to this board, which is not and will not be responsible to parliament, their private business. The result is that if this board so desire they can tell their friend who is in the same business as I am, what price I have been offered for my fish. They say: We will not let you sell your fish, and I lose the order. As I said a moment ago, the buyer in the West Indies—Jamaica, Haiti, Puerto Rico or elsewhere—if he cannot get the fish from Nova Scotia will go to Newfoundland or Norway for it.

[Mr. Duff.]

Suppose the local board in Lunenburg will not allow me or another exporter to sell our fish. Perhaps the Halifax local board has more sense and will allow the exporters there to sell, and they will sell their fish and clear up their bank loans. The result is that I have a large stock of fish left on my hands in the spring. In view of those facts will the people of Nova Scotia, who risk large sums of money, be able to carry on business after this legislation comes into effect? No. What is perhaps worse is this: is there any bank in this country which will lend a man $50,000 or $100,000 to buy wheat, fish or anything else when it knows that under this legislation some local body may interfere and he cannot sell the goods on which the bank might have loaned the money? When this measure goes into force the banks will not allow people to do business in the way they have done it in the past and the banks will be fully justified in their attitude. My hon. friend says: All the man has to do is to say to the bank: Never mind, the government will recompense you for your loan if the merchant has to dispose of his stock at half price in the spring. If the fish turn red or dun and the merchant has to dump them on a foreign market, the hon. member for South Cape Breton says that the merchant can come to the government and get the difference. Who will decide what that difference is? I say that the thing is fundamentally wrong, and the Minister of Agriculture knows it is wrong because he is calling his friends together to-morrow morning at ten o'clock to decide whether they will withdraw the bill or what they will do with it.

Mr. MacDONALD (Cape Breton): How does the hon. gentleman know?

Mr. DUFF: I do know and my hon. friend should know, because he should be anxious to protect the interests of the people of Nova Scotia.

In my opening remarks I said that this bill would not benefit the producers of wheat, fish, lumber or anything else. In Nova Scotia at the present time we have voluntary cooperative societies which are composed of men in either the different farming or the different fishing sections. Those men in their organizations do good work; they get together, discuss their problems and decide what they shall do in their own best interests. But if this measure goes through, what happens?

Every one of those voluntary cooperative societies goes out of business. Under this bill there is not cooperation, but a compulsory setting up of a local board of, say three men, not of fifty or sixty or seventy, as in the case of the cooperative societies, who to-day, all have a say. This measure compels the fishermen or the farmers to get together and so long as they have a majority of their number, the government will create a local board. Under this bill, if somebody has sufficient influence with the government, it is not necessary for the fishermen even to ask for this board to be appointed. So far as I am concerned, I have always been in favour of cooperative methods. In fact, in the town in which I live we had the first cooperative organization in the fishing industry or any other industry in the dominion. Sixty years ago this cooperative method was adopted so far as the fishermen in the county of Lunenburg are concerned. I have been in favour of that because I have been interested in the cooperative movement in that county for the last thirty years. But I say that this legislation is not cooperation at all; it is pure compulsion. Not only am I opposed to compulsion, but I say also that this compulsory method of appointing a board—and I repeat this—is not going to help the fishermen. In the final analysis the fishermen will suffer most.

The bill says that if a number of fishermen get together and a majority so decide, they can get a board. What about the minority? Let us say, for instance, in one of the villages on the Nova Scotia coast there are one hundred fishermen, and sixty of them sign a petition to the minister asking that a board be appointed. Because there is a majority the minister grants their request and appoints three local men to act on the board. The minute this board is appointed, what happens? They can regulate the time and the place of marketing and determine the manner of distribution and the quantity and quality of the regulated product. They can also prohibit marketing by any person at any time. Is that fair? Is that British? If sixty men get together and say: We want to hold on to our fish; we do not want to sell them, is it fair that if the other forty men want to sell theirs, they cannot do so, or even if one man out of the hundred wants to sell his, he is not allowed? He caught his fish; he and his two little boys went out at four o'clock in the morning in the fog and rain and storm and brought those fish to land. Yet because of this legislation, perhaps because some of his neighbours do not like him, they will prevent him from selling his fish. I believe that in certain matters, for instance, in church and state, the majority should rule, and the hon member for Pictou (Mr. Cantley) will remember the vicious legislation passed by this parliament in 1924. We know what happened in that case. Not only did the minority have nothing to say, but they were blanketed in an organization under the bill. That is what will happen in this instance; the minority will have no rights. They will be told under this bill that they must sell their fish or wheat or whatever it may be because somebody else says so. Mr. Speaker, I am going to ask you to allow me to speak for a few more minutes, not very long.

Mr. SPEAKER: With the leave of the house.

Mr. DUFF: The Minister of Trade and Commerce (Mr. Stevens) spoke for more than forty minutes.

Mr. SPEAKER: He was not limited as to time.

Mr. DUFF: Oh, yes he was.

Mr. SPEAKER: He was not limited as to time under the standing order.

Mr. DUFF: I beg to differ.

Mr. YOUNG: Go ahead, with unanimous consent.

Mr. DUFF: Now, Mr. Speaker, I have protests from a number of people. This act interferes with the freedom of trade. The trouble in this country in my opinion is that we have too much paternalism, too many restrictions, too many regulations, too many people looking after other people's business instead of letting them look after their own. Someone has written some verses which will do to wind up with, in view of the fact that I have not time to present further arguments in this important matter:

Paternalism, or Liberty in Extremis

There were just ten commandments to govern us all
In the spring of our race, but now, in the fall,
Their number is legion, we know not the half,
To suppose we can keep all is surely 'to laugh.'

You mustn't buy tickets in lotteries bad,
You mustn't drink booze, or else you'll be had,
You mustn't plant wheat in excess of the scheme,
You mustn't pay interest too high, it would seem.

There's a quota for this, an embargo for that,
You have to pay duty on sox and on hat,
We're hedged and protected, no free will is left,
Of even the free use of air we're bereft.

If they legislate further all liberty's dead,
Paternal direction with only one head.
An order in council, as sure as your life,
You'll need to permit you to kiss your dear wife.

Mr. ROBERT GARDINER (Acadia): Mr. Speaker, it is not my intention to take much of the time of the house in discussing the measure now before us. I recognize that this bill contains very large powers. I recognize also that in order that a national board may be effective in carrying out the desired purposes it may be necessary for it to have very extensive powers. What I wish to say more particularly is that so far as the appointment of a national marketing board is concerned I am absolutely in sympathy with that proposal. As to the details of the bill, they can be left to the committee stage, when they can be properly discussed and amended where thought desirable by the house.

Unfortunately neither in his address in introducing the measure on first reading nor in moving the second reading did the Minister of Agriculture (Mr. Weir) take the opportunity to explain what in his judgment would be the scope or powers conferred upon this proposed marketing board. He did, however, speak of certain economic factors that must be dealt with and dealt with as soon as possible. Harking back to the ideas of twenty-five or thirty-five years ago is useless, for economic conditions have changed drastically since that time and we have facing us to-day a state of affairs such as the world has never known before; therefore extraordinary means must be taken now which would not have been taken then. So far, then, as the principle of the bill is concerned, namely the creation of a national marketing board to deal with the marketing of primary products, I am absolutely in sympathy with it, but I reserve my judgment as to the specific proposals embodied in the bill.

The hon. member who preceded me (Mr. Duff) dealt more or less exclusively with fish, something about which he knows. For the few minutes that I desire to take the time of the house I wish to deal with the industry of which I know something, in which I have been engaged in western Canada for thirty-two years, namely the agricultural industry. I think we all recognize that very few items of agricultural produce are selling to-day at prices which return to the producer the cost of production. I maintain that that condition cannot continue much longer, or the effect upon Canada as a whole will be very grave indeed. I am therefore willing to experiment to see if it is possible to assure to the primary producers at least the cost of production of commodities which this country requires and finds necessary to export in order to pay for what is bought. If we go over the index figures for agricultural products, more particularly up to about two months ago, we find that the prices, in other words the return that the producer receives for his labour, have been reduced to a greater extent than have the price levels of manufactured goods and other services. We are faced with this condition, that the majority of manufacturing processes to-day are controlled by great monopolies which can restrict at will the amount they produce, and to a very large extent tend to maintain their price levels. But each of the hundreds of thousands of producers of agricultural products in Canada is in competition with every other producer of like commodities when he comes to sell the product of his labour. The consequence is that so far as exchange values are concerned, the primary producer to-day is not getting a fair exchange. I am sure if this or any government can bring before this house a measure which will produce a greater parity of exchange values as between the different classes of commodities which the Canadian people must have in order to live, that will be all to the good not only of the primary producer but even of the manufacturing interests in this country.

The minister in moving the second reading of the bill told the house that he had received many communications from cooperative selling organizations. I think he referred more particularly to farmer organizations. He intimated that they were desirous of securing legislation of this character. I have not had the opportunity of securing much information as to whether the farmers of western Canada are satisfied with the proposals contained in this measure. I was very sorry, therefore, to hear that instead of sending this bill to the agriculture committee, where those who are most interested could come and give testimony as to whether the powers are sufficient or in their judgment too great or whether the general trend is satisfactory to their purposes, the minister proposes to submit this bill to a committee of the whole house. May I suggest to the minister that in my judgment, in order to satisfy public opinion and satisfy the producers themselves, it would have been far better to send it to the agriculture committee in order to give those directly interested, the actual producers of the commodities which will be to a large extent controlled by the proposed legislation, the opportunity of appearing and presenting their point of view. I suggest that that is absolutely essential. That is why I am not at the present time taking the opportunity to discuss the bill clause by clause and give my opinions

on the various sections. But after all is said and done, sir, the most important thing in connection with any piece of legislation of this kind is its administration. It all depends on the administration of the legislation whether it will be successful and whether it will satisfy those whom it is intended to benefit. You might have the best piece of legislation the mind of man could conceive, but with poor administration the benefits would be absolutely lost. On the other hand you might have a piece of legislation considered poor, but with good administration it might be quite beneficial and effective. I would stress very strongly indeed that, in whatever form this measure passes the house, the government have a great responsibility in seeing to it that the administration is the best this country can secure, because unless there is proper administration I am satisfied that it will be a failure and will be detrimental to the best interests of the producer.

Let me repeat, sir, that with the principle of the national marketing of the primary products of this country I am in hearty sympathy. With regard to the provisions of the bill I want to hear a further explanation by the minister as to just how he proposes or expects to put it into effect, and until that explanation is given I am neither supporting nor criticizing this legislation. And may I suggest further that I trust the Minister of Agriculture will see his way clear to send the bill to the agriculture committee, which in my judgment would be much more satisfactory to the producer than to have the bill considered by the committee of the whole.

On motion of Mr. Young the debate was adjourned.

On motion of Mr. Guthrie the house adjourned at 10.55 p.m.

Friday, April 20, 1934

The house met at three o'clock.

ROYAL ASSENT

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

Ottawa, April 20, 1934.

Sir,—I have the honour to inform you that Right Hon. Sir Lyman P. Duff, acting as the deputy of His Excellency the Governor General, will proceed to the Senate chamber to-day at 5 p.m. for the purpose of giving the royal assent to certain bills.

F. L. C. Pereira,
Deputy Assistant Secretary
to the Governor General.

STANDING ORDERS

Mr. A. U. G. BURY (East Edmonton) presented the third report of the select standing committee on standing orders and moved that the report be concurred in.

Motion agreed to.

HOSPITAL SWEEPSTAKES

On the orders of the day.

Mr. J. L. BROWN (Lisgar): On the first reading of the sweepstakes bill the Prime Minister (Mr. Bennett) suggested that the government might fix a certain day for discussion of the matter. Is it the present intention that the bill will be proceeded with this evening or shall we take up public bills in the ordinary course?

Right Hon. R. B. BENNETT (Prime Minister): I thank the hon. gentleman for directing attention to the matter. It is proposed to suit the convenience of all members of the house in fixing a day for discussion of the sweepstakes bill, possibly some day next week. The Secretary of State will lay on the table as soon as he can have it prepared, a copy of the resolution that was passed by the legislative assembly of Quebec and a copy of the bill that was passed at the last session of the assembly. I think that can probably be done on Monday. Then we can fix some convenient day for the discussion of the sweepstakes bill after consultation with the leader of the opposition (Mr. Mackenzie King) and others who may be interested.

CANADIAN NATIONAL RAILWAYS

WASHOUT AT MATAPEDIA, BONAVENTURE COUNTY

On the orders of the day:

Hon. CHARLES MARCIL (Bonaventure): I would call the attention of the Minister of Railways (Mr. Manion) to a Canadian Press dispatch appearing in this morning's papers concerning a very serious interruption to traffic on the main line of the Canadian National Railways in Matapedia in my county, where passengers, baggage and mail have had to be transferred by canoe over the Restigouche river. Owing to the very heavy fall of snow in the Matapedia valley during the past winter there has been a washout of several hundred yards of the main line, and trains have been held up three or four at a time. I have been urging for many years the erection of protection works for the main line and village of Matapedia and I hope that with this occurrence the Minister of Railways will take a deeper interest in the

matter. In the meantime I would ask if he has any further information beyond what has appeared in this morning's papers?

Hon. R. J. MANION (Minister of Railways and Canals): The hon. gentleman sent a request over to my office for information, and I have a good deal of information here which I will send across to him. It is not of particular interest to the rest of the house. I may say in a sentence—

Hon. P. J. VENIOT (Gloucester): I wish the minister would give the information to the house so that it will appear in Hansard because my people are deeply interested in it. In Gloucester county we are almost cut off from communication with northern New Brunswick.

Mr. MANION: I was going to say that the railway informs me that they have complete control of the matter and are taking every procedure needed. I thought it would be sufficient if I said that and sent the letter across to my hon. friend from Bonaventure and anybody else who wants to see it.

WINDSOR BROADCASTING STATION

On the orders of the day:

Hon. W. D. EULER (North Waterloo): I would ask the Minister of Marine (Mr. Duranleau) if there is any truth in the newspaper report that the radio broadcasting station at Windsor is being taken over by the radio commission for a period of five years?

Hon. ALFRED DURANLEAU (Minister of Marine): I will look into the matter and give my hon. friend the information.

PRINCE EDWARD ISLAND CAR FERRY

On the orders of the day:

Mr. J. H. MYERS (Queens): I wish to direct the attention of the Minister of Railways to an editorial that appeared in the Charlottetown Guardian of April 16 in which it is stated that the government of Prince Edward Island had taken up with the railway trustee board the matter of rates charged for automobiles on the car ferry and that they had been referred to Mr. Allison Fraser, being informed that he was the man who had authority in this regard. The editorial states that Mr. Fraser has refused to put into force this year the rates that were in force last year during the tourist season. May I say to the Minister of Railways that we as a province absolutely refuse to accept Mr. Fraser's dictum in this matter, and I trust that the Minister of Railways will look into the subject with a view to seeing that our province receives at least the same rates as were in force last year.

Hon. R. J. MANION (Minister of Railways): The statement is correct in so far as it indicates that the government of Prince Edward Island had seen the officials of the railway, but I may inform the hon. gentleman that they also interviewed myself some months ago. A deputation from Prince Edward Island saw me and I have had the matter up for some time with the railway management; but inasmuch as the car ferry is in a sense operated separately from the railways, it was a matter in which the government had a right to have a fairly strong opinion in regard to rates. My own opinion, passed on to the management—and I believe they are accepting it—was that the wisest course would be to observe exactly the same rates as were in force last year in connection with the tourist traffic. If they do, I fancy that will be satisfactory, though I may add that there are some people in the province who protest that there should be even lower rates than last year. The best that can be hoped for, however, is that during the tourist season there will be charged the same rates as were in effect last year.

MARKETING ACT

ORGANIZATION TO IMPROVE METHODS AND PRACTICES IN MARKETING NATURAL PRODUCTS

The house resumed from Thursday, April 19, consideration of the motion of Mr. Weir (Melfort) for the second reading of Bill No. 51, to improve the methods and practices of marketing of natural products in Canada and in export trade, and to make further provisions in connection therewith, and the amendment thereto of Mr. Mackenzie King.

Mr. E. J. YOUNG (Weyburn): In rising to speak to the amendment proposed by the leader of the opposition to this bill, may I at the outset extend my congratulations to the hon. member for Winnipeg North Centre (Mr. Woodsworth) and to the group he leads upon the outstanding success they have had in winning over the Prime Minister and the government to the wholehearted adoption of their policy. For if this bill is carried into effect it will involve in the agricultural industry, in the mining industry, in the fishing industry and in many of our manufacturing industries a complete system of planned and regulated economy from the primary producer right through to the consumer. The hon. member for Winnipeg

North Centre recognized the situation yesterday when he said that this would probably result in a realignment of political parties in Canada.

We of the Liberal party have always contended that the C.C.F. party and the Conservative party are much closer together in their political philosophy than either one of them is to the Liberal party—

Mr. BELL (Hamilton): Even that would be to their credit.

Mr. YOUNG: —and I think the developments of the present session will show that there is much truth in that contention. The government received considerable support for its relief bill from gentlemen in the corner, and now gentlemen in the corner are getting full support for their policy from the government.

Mr. MACKENZIE (Vancouver): Quid pro quo.

Mr. YOUNG: In this connection, might I refer to a statement made by the hon. member for Winnipeg North Centre.

Mr. WOODSWORTH: I would point out to the hon. gentleman that some of us in this corner voted against the relief bill.

Mr. YOUNG: I said considerable support. The statement to which I wish to refer is found on page 2337 of Hansard of yesterday. The hon. member for Winnipeg North Centre said:

> I am willing to accept the explanation of the leader of the opposition that there was no implication, but in making that explanation the leader of the opposition says that we are seeking to wipe out parliamentary institutions . . . and it is not true.

I am glad to hear the hon. member for Winnipeg North Centre make that denial, but I attended the convention of the C.C.F. in Regina last summer, and for three days I sat in the gallery listening to the debates that took place there. Many startling statements were made but I took down what I considered to be the most startling, which was made by the hon. member for Vancouver South (Mr. MacInnis). They were discussing whether or not they should proceed by constitutional means to take over the government of the country and the hon. gentleman argued that they should proceed by constitutional means because, he said, if they were not strong enough to get into power by means of the ballot they were not strong enough to get in by any other means; but, he added, "When we get the power of the state in our hands we will use that power to keep it in our hands." Let us examine that statement. What is the power of the state? It is the power to make laws and to enforce them, and the proposal made here is that they should first get into power and then make laws that will render it impossible for anyone to turn them out of power again. If that is not depriving parliament of its rights, I do not know what is.

This legislation is based on the assumption that a small group of men, chosen in part by the government and in part in other ways, are more capable of managing the individual businesses of farmers, of lumbermen, of fishermen and of manufacturers in this country than are the men who own the businesses. Under our present system, if I mismanage my business I suffer for it, and that is the incentive to me to keep right up on my toes and attend to business. But under this legislation it is assumed that a group of men who have no direct financial interest in the business will be in a better position to manage it and to put it on a profitable basis than I can myself.

I have little sympathy with those who say that they agree with the principle of the bill but are opposed to the details. To me the whole principle is abhorrent. The very idea of a marketing board sitting here in Ottawa and telling the farmers of the country how many acres of wheat they shall sow, how many acres of oats, how many acres of barley and of flax, how many head of cattle they shall be allowed to raise, how many hogs they shall fatten, how many chickens they shall feed, that board having the power to put them in gaol if they dare to sell any of these in violation of its ruling—why, the whole idea is abhorrent to anyone of Liberal thought. The hon. member for Yale (Mr. Stirling) the other day, speaking to the bill, made this statement: "The principle behind the bill is that the producer should have in his own hand the power to control the marketing of his own products." That is not the principle of the bill; that is the very antithesis of its principle. The principle of the bill is that the power should be taken out of the hands of the producer to control his own product. I was surprised, I was shocked the other day, when the hon. member for Timiskaming (Mr. Bradette) was speaking, at an interruption made by the Prime Minister. The hon. member was speaking against the curtailment of the rights of the people and the Prime Minister made the statement that "All legislation restricts liberty; that that is what parliament is for." That is not what parliament is for. Parliament was set up in the first place and has been maintained through the ages to protect and maintain the rights and liberties of the people against those who would encroach upon them.

Mr. BENNETT: And protection has always meant restriction. If the hon. member would read a little history he would know that.

Mr. YOUNG: If every law that is passed restricts liberty to some extent, that is no reason that we should pass a law restricting all liberty. If every law that is passed means a restriction of liberty, we should be all the more careful what laws we do pass and this one should certainly never be passed.

Last night, discussing what he called the necessity for the bill, the Minister of Trade and Commerce (Mr. Stevens) referred to quotas set up by different countries of the world restricting the imports of various commodities allowed into those countries. He instanced that as one of the reasons which made this bill necessary. There is nothing in this legislation to overcome that difficulty. I realize fully the difficulty of carrying on international trade in the present temper of the world, but in this bill there is nothing to solve that problem. In some quarters a very mistaken idea exists as to the meaning of the granting of a quota. Many people think that when the government of one country grants a quota to another, it means that the country granting the quota undertakes to buy that quantity of goods from the other. That is not the situation. If, for instance, Great Britain gives us a quota of a million barrels of apples a year, that does not mean that she will buy a million barrels from us; it means that the British government says to us: We will permit you to ship a million barrels into our country but you must take your chance of being able to sell them when they get here; you must find your own market after the apples arrive. I ask this question: Will the boards that will be set up under this bill to take care of the marketing of our apples, be any more successful in finding those markets than would be the scores and scores of individuals who are now trying to sell and whose financial interests are at stake if they do not find a market for their goods? If this legislation comes into effect, we shall probably have three local boards in Canada handling apples: one in Nova Scotia, one in Ontario and one in British Columbia.

Mr. DUPUIS: And one in Ottawa.

Mr. YOUNG: Yes, a central board in Ottawa, but it will not do the marketing; it will do only the meddling, so to speak; it will have authority to restrict the powers of those local boards, but it will be the duty of the local boards to find markets for our apples. Will those three local boards be more successful than the individuals who own the apples and whose financial interests are at stake if they fail to find a market for them? Supposing one board is a little more enterprising than the others and does find a market in some part of the world for a certain quantity of apples: would it be able to supply that market? Not without permission of the central marketing board. What would the central marketing board say to them? It would say: You have done well to find that market but you must share it with the other two boards. So the poor board that has found this market discovers that in order to sell one barrel of apples it has to find a market for three barrels. What incentive would there be then to find any market for their goods? In any case, why should they care? Their salaries and expenses will go on regardless of whether the apples are sold. If the apples are even dumped in the ocean, that will make no difference to the board because their pay will go on just the same. In that event they would be apt simply to settle back into a state of dull routine and let the marketing take care of itself.

The other day I heard a story—and I believe the Minister of Trade and Commerce heard it also—of a board set up in a certain part of the country to handle the raw product of its customers. It was not dependent upon service for its clientele; it had that bound to it by a contract. What happened? There were in the market three principal buyers for the commodity and the board did what? The first week they sold all their receipts to buyer number one; the second week they sold all their receipts to buyer number two; the third week they sold all their receipts to buyer number three; the fourth week they sold all their receipts to buyer number one; the fifth week they sold all their receipts to buyer number two; the sixth week they sold all their receipts to buyer number three; the next week they sold all their receipts to buyer number one, and so on, and they continued that process from one year's end to the other. What had they done? They had ceased to function as a selling agency; they had simply sat back and allowed the business to run itself. Yet that board was under more direct control of the producers than will be the boards that will be set up under this bill.

There is a further danger that those boards might decide to withhold from the market the products they have to sell. People getting into that position, handling large quantities of goods not at their own risk, might think the price ought to go up, but the judgment of the world is that it will not go up, so the world offers a certain price for the commodity.

They match their judgment against the judgment of the world and having nothing at stake, they hold back those commodities from the market. There must be a great deal of fun in playing the market in that way. Some people in Canada have had many millions of dollars worth of that kind of fun in recent years and the taxpayers are going to pay for it, but I do not think we want any more experiences of that kind.

The Minister of Agriculture (Mr. Weir) the other night, speaking on the bill, outlined the cause of failure of some of the cooperative associations. He said that one reason was that they were apt to choose as their salesmen, their managers, men who had no direct financial interest in the affairs of the cooperative. That difficulty is not removed by this bill as we shall see when we come to discuss it item by item. Those boards that will have control of the marketing are not directly responsible to the producers. Let us look at the bill itself. Subclause (1) of clause 3 reads:

> The governor in council may establish a board to be known as the dominion marketing board—

This board is not to be appointed by the producers. The dominion marketing board will be appointed by the governor in council. Subclause (2) reads:

> The board shall consist of such number of persons as the governor in council may from time to time determine, and each member shall hold office during pleasure and shall receive such remuneration as the governor in council shall determine.

Not elected by the producers; not under their control; not in direct touch with them and not necessarily in sympathy with them. Subclause (4) reads:

> The governor in council may authorize certain members of the board to exercise the functions of the board in respect of any product or class of products.

What does that mean? It means that the government will not make the mistake it made in the case of the tariff board. In that case it appointed three men and the chairman happened to be a man who would not jump every time the string was pulled. If any man happens to get on this board who dares to think for himself and who does not agree with the minister, the governor in council may authorize the other members of the board to do all the work and that man will have nothing to do. Subclause (9) of clause 3 reads:

> The governor in council may from time to time authorize payment to the board, out of the consolidated revenue fund, of such sums of money as may be necessary for the purposes of this act.

This board is to have power to use the taxpayers' money to carry on its activities. The powers of the board are given in clause 4, and among them are the following:

> To regulate the time and place of marketing the regulated product, and to determine the manner of distribution and the quantity and quality or grade of the regulated product that shall be marketed by any person at any time, and to prohibit the marketing of any of the regulated product of any grade or quality.

I wonder whether the government has given consideration to all that is involved in that clause. I know there are in the house some ministers who believe certain classes, that is the lower grades, of cattle should not be marketed. If one of those gentlemen happened to be the man in charge, he would prohibit the marketing of low grade cattle. In that event, consider the position of the farmer in the dried-out district whose crops have failed, whose cattle are thin and who is in no position to fit them for the market. What can he do? The only thing that man can do is to throw his cattle on the market and get what he can for them. But under this legislation it would be impossible, for the board would say: No, we will not allow you to market your lean cattle because it would interfere with the price other men can get for their fat cattle. Then there is the power to prohibit marketing. I wonder if anyone has considered the political possibilities of that clause. Suppose, for instance, the board forbids the export of lumber. An election is about to take place. Some unscrupulous politician comes into a lumber district and says: Boys, if you vote right they are going to open the gates and let us sell lumber again. Is that likely to make any difference to the election? I wonder if the government has given consideration to such a possibility.

Then subsection (c). The board shall have power—

> to compensate any person for loss sustained by exporting, storing or withholding from the market any product pursuant to any determination or order of the board;

The significance of that clause is that it would guarantee the top price to every one; for those who get the lower price will say to the board: You ordered us to sell in a certain place; someone else who sold in another place got a higher price; now you must compensate us, give us the difference between what we got and what they got. You can pay it out of the treasury. Suppose the price of apples in Canada were $5 a barrel, and suppose it were only $4 a barrel abroad. The board could order the Canadian apple shippers to export large quantities of apples and dump them on the world market at as

low as $3 a barrel in order to get rid of them. In so doing they could create an artificial shortage in Canada and force the price up to say $6 a barrel. Then those who had sold abroad at $3 would be able to come back to this board and demand compensation, demand the same remuneration for their apples as received by those who sold at home at $6. So the consumers of this country would be in this position: in the first place they would pay $6 for their own apples, and then would have to pay $2 or $3 a barrel for the apples eaten by the people in other countries.

Then the next clause:

(d) to compensate any person in respect of any shipment made pursuant to any determination or order of the board to a country whose currency is depreciated, in relation to Canadian currency, for loss due to such depreciation;

That is to say, this board undertakes to guarantee, to back the notes of other countries. In private business it is not considered good business to back any one else's notes. But here we have a board that can lightly assume the responsibility of backing the notes of foreign countries. That would not be very easy to carry out. If a country with which we are dealing has its currency depreciated 50 per cent in relation to ours that depreciation will be in greater or lesser degree reflected in the number of that country's dollars which will buy our products; those who ship goods to that country will get more of those dollars for them. They will come to the government with these dollars and say: We have got so many of these dollars, but they are not worth par in our dollars; please make an adjustment by giving us good Canadian dollars in exchange for these depreciated dollars of another country.

Then look at the next clause:

(e) to assist by grant or loan the construction or operation of facilities for preserving, storing, or conditioning the regulated product and to assist research work relating to the marketing of such product;

That is to say, this board will have power to dip into the public treasury and either give or lend money. What for? For the establishment of saw mills, flour mills, bakeries, canning factories, tobacco factories, breweries, distilleries, and to put in charge of them men who perhaps do not know anything about running them. But that will not matter, for they have the public treasury to fall back on, and if they do not know how to do the work they will be furnished with research men to carry on research work so that they can tell them how to conduct their business. I see the Minister of Finance (Mr. Rhodes) in his seat; I will be sorry for him when this bill takes effect, for there will be very little money in the treasury to balance the budget when these boys get through.

Then in (f) we find the board shall have power:

to require any or all persons engaged in the production or marketing of the regulated product to register their names, addresses and occupations with the board, or to obtain a licence from the board, and such licence shall be subject to cancellation by the board for violation of any provision of this act or regulation made thereunder;

Every person, farmer, lumberman, fisherman, manufacturer, must go to the board every year and get his licence, and that licence will dictate what he shall do and how he shall do it. How easy it would be to withhold the licence of one that you wanted to get out of the way. Withhold the licence of a farmer, his farm would become worthless and someone's friend could buy it at a small price.

Then look at the next clause:

(g) to require full information relating to the production and marketing of the natural product from all persons engaged therein and to require periodic returns to be made by such persons, and inspect the books and premises of such persons;

The idea of appointing men to go out in the farming country and insist on every farmer making returns! Of what? Of everything he had produced and what he sold it for or did with it. The farmer's wife must account for every dozen of eggs that she sold. And all these reports would be sent to Ottawa. Imagine the number of civil servants required to tabulate all this and check it up!

Then the board is to have power:

(j) to cooperate with any marketing board or agency established under the law of any province to regulate the marketing of any natural product of such province and to act conjointly with any such provincial board or agency;

What is that for? In order that the federal and provincial boards can combine their powers and activities to defeat the purposes of the British North America Act. The provisions of the constitution were enacted to protect the rights and property of the citizens. Now those who desire to get control of other people's business and manage it for them sometimes find those provisions awkward, they are in the way. So they devise this scheme to defeat the purposes of the constitution.

Then look at section 5, marketing schemes —a great word:

(1) A representative number of persons engaged in the production and marketing or the production or marketing of a natural product may petition the governor in council

to approve a scheme for the regulation of the marketing of such natural product by a local board under the supervision of the board.

You notice, sir, that it is "the production and marketing or the production or marketing." Under that clause the members of the Winnipeg Grain Exchange could hatch a scheme, present it to the government, and if they had a sympathetic minister they could have that scheme put into effect without the farmers knowing anything about it, and give themselves a monopoly of the grain trade of this country.

(2) The petition shall be filed with the minister and if he considers that the persons engaged in the production or marketing of the natural product are sufficiently represented by the petitioners, the scheme shall be referred to the board with a request for a report on the expediency thereof.

What number would be a representative number? It just depends on the minister. In our country a township is a block of land six miles square. The minister might take the view that one farmer from each township would be a fairly representative number of the farmers of the west. Is that an extreme case? I know one more extreme. Only three years ago my right hon. friend the Prime Minister went to Regina and met three or four farmers from Saskatchewan who told him a certain thing. He considered that they were representative of the farmers of Saskatchewan, and acted accordingly. "A representative number" is a very wide and elastic term. Perhaps three or four men in the whole province might be considered a representative number. Then the people most concerned, the farmers whose business is going to be taken out of their hands, the lumbermen whose business is going to be controlled by this organization, the fishermen, will know nothing until an announcement appears in the Gazette that this thing is done. And the farmers never see the Gazette.

Let us see how these local boards are to be set up. The first step is that a number of men engaged in a certain industry get together and hatch a scheme, for marketing a certain product. These schemers choose from among themselves a chairman, and they elect a board. Then they draw up a petition which they present to the minister outlining their scheme. They also select a head office, and they say who their chief executive officers are to be. They even make the appointments. They submit all this to the minister and the minister submits it to the board in Ottawa. What does this board in Ottawa know about it? It is quite out of touch with the producers on the farm, the fishermen on the sea, the lumbermen in the forest, but this board shall decide whether or not the scheme is acceptable. If they decide that it is, the announcement is made in the Gazette, and the producers, the people most concerned, know nothing about it until they are all in, and the schemers are in control. Well, can they get out of the scheme? Yes, there is a way out. How can they get out? They must circulate a petition, but the petition they must circulate to get out is not the same petition they use to get in. Any petition to get in only requires what the minister called a representative number, which may mean three or four people in a province or one person in a township, but in order to get out they must have this sort of petition:

(2) A representative number of the persons operating under a scheme approved under section 5 of this act may petition the minister to revoke the scheme.

(3) The petition shall disclose to what extent the persons operating under the scheme are represented by those signing the petition and the minister shall decide whether all those so engaged are sufficiently represented—

The number on the petition to get out is much more comprehensive than the number on the petition to get in. It must represent all those engaged in the industry, and the minister has the right to refuse that petition if he sees fit to do so. Then let us look at section 9, which is the worst of all:

Notwithstanding that no petition in relation to any natural product has been filed, the minister may, if he is satisfied that the trade and commerce in the said product is injuriously affected by the lack of a local board to regulate such product, at any time propose a scheme for the marketing of such product—

and so on. The minister may impose a scheme without consulting the people at all. From what I have seen here I have an idea that there are some ministers who hold the opinion that certain classes of people should not be allowed to do business at all and who would, if they had it in their power, shut them out. The minister who is put in charge of this legislation might happen to be one of those so disposed; he might say that certain classes of people are not to be allowed to do business in any particular line, and might hatch a scheme to put them out of business, and that scheme would become law.

Then when we turn to section 12 we find that power is given to over-ride the Customs Act, to restrict imports coming into this country, as though they were not sufficiently restricted already. Not only that, but power is given also to prohibit the export from Canada of any commodity so regulated. What Canada needs most to-day is markets, and every ounce of energy we have available should be devoted to the finding of markets.

Yet if any man goes out and finds a market for his product without consulting this board, after having found that market this board can forbid him to supply it. What inducement is there for anyone to find markets in order to help dispose of the products of this country? We are asked to surrender all these things to this board, and what do we get in return; what do they offer us in exchange? They offer us the privilege of having our private business taken out of our hands and put into the hands of a bureaucracy that has no financial interest at stake, that probably knows nothing about running the business and that is not in any way hurt if the business fails, but we will have to pay the bills if they make a mess of things.

The other day at the Rome conference France made an offer; they said, "We are willing to buy wheat from you if you are willing to buy something from us." Would not the government be much better advised to find markets like that and say to France, "All right, we are ready to deal with you," instead of trying to regulate the production and marketing of goods in Canada? With this bureaucracy set up and no one else allowed to do business all hope of progress and improvement in this country in marketing and fashioning our goods must die, for there will be no interest on the part of the bureaucracy in making any improvement. They will be secure in their seats; they will not be in the least concerned as to whether or not our products are marketed to the best advantage.

In closing, Mr. Speaker, I should like to quote a few words from the essay on liberty by John Stuart Mill. I wish hon. gentlemen opposite and in the corner would study that work carefully.

Mr. HEAPS: When was it written?

Mr. YOUNG: It was written long ago; so was the bible.

> The only unfailing and permanent source of improvement is liberty, since by it there are as many possible independent centres of improvement as there are individuals. . . . But where everything is done through a bureaucracy, nothing to which the bureaucracy is opposed can be done at all.

And again:

> A state that dwarfs its men in order that they may be more docile instruments in its hands, even for beneficial purposes, will find that with small men no great thing can really be accomplished; and that the perfection of machinery to which it has sacrificed everything will in the end avail it nothing, for want of the vital power which, in order that the machine might run more smoothly, it has preferred to banish.

Just in closing I should like to make one more reference. Yesterday the live stock producers of western Canada appeared before the price spreads committee. They are opposed to this or any other marketing bill, and for the benefit of the Minister of Agriculture I should like to read what they have to say:

> It would seem then that if our departments of agriculture would function as we wish them to, there would be no need for superimposing further expense on the country for a board . . . departments of agriculture appear to be set up to serve governmental policies which may be a vastly different thing from serving the farmers. If departmental officials can function freely with the one objective in view, viz. that of aiding the industry it does not appear necessary to establish any additional board.

Mr. F. W. TURNBULL (Regina): Mr. Speaker, I am not one of those who are very much enamoured of the idea of what may be known as government interference in business. There has been a great deal of it in this country; there may be a great deal more, but at the present moment we are faced not with a theory but with a condition, and sometimes when we are faced with conditions we must give up cherished theories. While, as I say, as a rule I am not in favour of government interference in business, there come times in the history of the world, such as the present, when governments must,—not interfere in business,—but use the powers of government for the purpose of assisting and promoting business.

Yesterday we heard something about restricted markets and restricted production. With the exception of the first two or three speeches during this debate we have heard nothing from hon. gentlemen opposite but an attempt to becloud the real purpose of this bill. There is not a single word in the bill from beginning to end with regard to the restriction of production. The only principle contained in this bill is authority to take measures for the purpose not of restricting markets but of making it possible to market the goods which the farmers and other people in this country are producing.

We have heard a great deal about liberty. Liberty is one of those wonderful things that have come down to us through the ages, but we cannot meet present conditions by the doctrinaire philosophy of the leader of the opposition (Mr. Mackenzie King). What the people in this country are up against at the moment is the fact that they have not liberty to handle their products in such a way as to get the best results, and the primary producer in this country wants liberty—not according to John Stuart Mill—but liberty to live and make a decent living out of his production. I should think hon. gentlemen

opposite would hang their heads in shame when anyone talks about restricted markets. When they came into power in 1922 our markets were not so very badly restricted; we were selling $200,000,000 worth of farm products annually to the United States, but while the opposition stood by and said they were afraid to pass legislation for the benefit of Canada lest they might provoke the United States, one by one our markets slipped away from us.

Must we place on Hansard again, for perhaps the fiftieth time, the fact that the markets for our wheat were lost during the régime of hon. gentlemen opposite? In 1925 Mussolini started the "battle of the grain," as he called it, and that was five years before this government came into power. That was followed by the imposition of tariffs by Germany, France and Italy, which were among our principal markets for wheat. Are not these gentlemen honest enough to go out and tell the public that the markets of our Canadian farmers were lost during their régime, not because of anything their party did and not because of anything our party did but because foreign countries desired to preserve their own markets for their own people and their own purposes. If their party was responsible at all it was responsible for that attitude which said, "We are not prepared to raise our general tariff, and we are not prepared to increase our British preference lest it might be misunderstood across the border." And then they come back and try to talk to us about restricting markets. There have been no steps taken by this government, since it came into office, which in any way restricted markets. There have been no steps taken by this government since it came into office which have not been for the purpose of obtaining markets for our natural products. The imperial conference treaties —and hon. members opposite are still throwing slurs at them—have provided markets for many of our natural products, markets which this country would have been very sorry not to have had, and markets which this country would not have had if hon. gentlemen opposite had had their way.

Mr. REID: Not for very long.

Mr. BENNETT: Oh, you have got to that now, have you?

Mr. REID: Lord De La Warr said it in the House of Lords the other day.

Mr. TURNBULL: We are now confronted with a condition, not a theory. This country now must decide which direction it will travel. We can have socialism.

An hon. MEMBER: We are getting it.

Mr. TURNBULL: We can have control of capital.

Mr. DUPUIS: You have it already.

Mr. TURNBULL: Nobody knows better than the hon. member for Weyburn (Mr. Young), who has been sitting on the price spreads committee for the last month, the effect of private capital and its operation on the marketing of goods in this country. We can have socialism; we can have controlled capitalism and we can have a policy of laissez-faire, —the middle of the road, as the hon. member for Vancouver Centre (Mr. Mackenzie) would say. The Liberal policy is the middle of the road. You see it illustrated in the question asked last night by the leader of the opposition when someone said, "If we are going to have orderly marketing we have to have some machinery." He said, "What have we been doing about it all along." That is the attitude of the Liberal party, that what they have been doing all along must be indefinitely continued,—nothing new, nothing to take the place of anything else, but just to let it drift. That is what they did during nine years of office, and that is just exactly what brought this country to the pass it was in in 1930.

The unemployment condition in the country has not been created since we took office. It began years before that, under the dominion of the right hon. gentleman who said, "What have we been doing all along; just let it drift." We have heard something about parliamentary control being endangered in these times, and we have heard that this government wishes to take the control of matters out of the hands of parliament. Hon. gentlemen should know something about what happens when control is not in the hands of parliament. One of the first actions of this government after it took office was to provide that our water rights, our navigation rights on the St. Lawrence system could no longer be given away by orders in council, but could be given away only by an act of parliament. Who was looking after the rights of parliament in those days, and who is now talking about looking after the rights of parliament?

I listened with great interest to the two hour speech delivered last night by the right hon. leader of the opposition. In the first place I heard him say that the principle of the bill was satisfactory. He did not say it in those terms; that would be too much to expect. Nevertheless he said it. He said

that the purposes set out in the bill were desirable, and that regulated trade was necessary. Having admitted that he has admitted it all. The rest is merely detail.

Mr. BENNETT: Quite so.

Mr. TURNBULL: The rest of the bill deals with the manner in which the regulations are to be applied. At the beginning of his speech I repeat that the right hon. gentleman admitted the principle of the bill is correct. Then he proceeded to spend two hours piling up bogey troubles such as the hon. member for Weyburn has been piling up for the past thirty minutes. I used to think that the hon. member for Weyburn was a man of innocent mind. But I do not know of anybody who in thirty minutes could have conceived more means of being wicked in business, in the ways described by the hon. member, unless it would be his right hon. leader.

I heard the leader of the opposition make a criticism of this bill. He piled up some arguments, and then proceeded to knock them down. I heard mention of the Magna Charta, and that sort of thing. But let me say, Mr. Speaker, that when this parliament under the leadership of the right hon. leader of the opposition passed the Canadian wheat board bill in 1922, he did just exactly what he said in every sentence of his speech delivered last night was wrong, and should not have been done. There is not a single thing in this marketing bill, which the right hon. gentleman criticized last night, which is not contained in even worse form in the Canadian wheat board bill which hon. gentlemen opposite sat in their seats and voted for in 1922. Why is what they did in 1922 considered to be right and proper, and the same thing done at the present time considered to be wrong? What principle of Liberalism is it which says that what was done in 1922 by a Liberal government is all right, but that when a Conservative government does the same thing in 1934 it is all wrong? The only principle of Liberalism of which I know which admits that view was the principle defined by the hon. member for Labelle (Mr. Bourassa) when he said: "It is a principle of Liberalism to have no principles." The principle of to-day is discarded to-morrow, and the principle of to-morrow is discarded next day. It is the principle of expediency. The party is operated like a weather vane. It tries to keep its ear to the ground and stir the passions of the mob. When they succeed they come here and cheer. That is the true principle of Liberalism. Talk about giving authority to unnamed boards that you do not know anything about—that is exactly what the Canadian wheat board bill did. Not only did it give authority to unnamed boards, but it gave authority to the governor in council to fix the salaries of the unnamed boards, and to fix them without consulting parliament. What happened to the Magna Charta of those days? What happened to the great petition presented to William and Mary in those days ?

Mr. BENNETT: And Green's history?

Mr. TURNBULLL: They would turn over in their graves if they knew what hon. gentlemen opposite did in 1922 to the liberties of parliament. It is true that in 1922 the money that the government decided they were going to give to these gentlemen was not going to come out of the pockets of the general taxpayer. That is right. It was going to come out of the pockets of the farmers the hon. member for Weyburn has been talking about, and out of their pockets only. These gentlemen were not only regulating markets, but were put in charge of the markets. Having in their possession the money of the farmers they were authorized to dig into the farmers' money and to take out whatever the governor in council said they could take. But, of course, the liberties of parliament were not at stake at all—oh no.

The right hon. leader of the opposition criticized at great length that section of the bill wherein he said the board had power to create offences. I do not know whether he took any great objection to investigations. I may state, however, that the wheat board was authorized to make investigations, and to go up and down the country making examinations. It is suggested that because a board may do some investigating and find out whether or not in its opinion a price spread is excessive, they thereupon create an offence. They do no such thing. It is the act which creates the offence. It is the act which states that anybody who charges more than he should or maintains a spread greater than ought to be maintained is guilty of an offence and liable to indictment and fine. He has to be haled before the courts of this country. He has to stand his trial, the same as any other person would have to. And when he comes to trial the finding by the board can not be used as evidence. He has to be tried anew, and his case has to be proved, irrespective of the board. All the investigation accomplishes is to discover whether there is sufficient evidence upon which a man may be placed on trial. When he goes to trial it is then for the judge or jury, as the case may be, to say whether or not he shall be convicted. There is no

creation of an offence at all. The right hon. gentleman seems to think that this board is going to have powers to make regulations, and that these regulations, are going to have the force of law. There is nothing new about that. The wheat board act provides that a board shall be set up with powers to make regulations. Read section 14 of that act and you will see what it provides, and when you talk about trying to get around the British North America Act by concurrent legislation with the provinces you will certainly find it there, and the hon. member for Weyburn voted for it, even though it was getting around the British North America Act and upsetting the constitution and disrupting confederation by concurrent legislation with the provinces. Section 10 of the Canadian Wheat Board Act provides—

Mr. YOUNG: What date was that?

Mr. TURNBULL: It was assented to on June 28, 1922.

Mr. YOUNG: Was I here then?

Mr. BENNETT: No, you were only on the way.

Mr. MOTHERWELL: He must have voted by long distance.

Mr. TURNBULL: Did my hon. friend oppose the bill?

Mr. YOUNG: I was not in the house then.

Mr. TURNBULL: Did he oppose it outside the house?

Mr. YOUNG: Yes I did.

Mr. TURNBULL: My hon. friend says that he opposed this bill but he continues to support the party that put it through. He voted for that party provincially and federally, and I have no doubt that he also supported them from the platform. So his opposition was evidently lip opposition, but when it came to putting the ballot in the box he was right with the party. Let me quote again section ten of the wheat board act:

The board shall have capacity to receive, have, enjoy and exercise such further powers or rights as may be conferred upon it by the legislature of any province—

Not by this government, but by the legislation of any province:

—with relation to any matter connected with the purchase, acquisition, sale or marketing of wheat and within the legislative authority of the province.

Let us see some of the powers that were conferred upon this board by the province. I have before me the Canadian wheat board bill passed in the province of Saskatchewan and assented to on July 27, 1922. It says:

The board—

This unnamed board, without its salaries fixed in the statute, not elected by parliament, but appointed with the approval of the governor in council:

—may, with the approval of the Lieutenant Governor in Council, make such regulations as it deems necessary for the purpose of fully and effectively carrying out the objects and provisions of this act; and subject to such approval may create offences and provide penalties in respect of violations of any provision of this act or of any order or regulation made by the board under its authority.

Mr. YOUNG: That was provincial legislation?

Mr. TURNBULL: Yes, passed by a Liberal government in Saskatchewan, and this board that was going to be set up in Ottawa had power conferred upon it by the provincial government to make regulations, to create offences and to provide penalties for breaches of the regulations, and the then government just before the bill was passed had given the board, that they were going to appoint, capacity to receive, have, enjoy and exercise the powers and rights conferred upon it by the provincial government. That was the power conferred upon the board by the provincial government—the power to create offences, the power to enjoy and exercise the right to create offences. That was all conferred upon the board by the provincial government, and the board were authorized by the leader of the opposition and his friends on the other side of the house to create offences, pass regulations, fix penalties and legislate—a board with greater powers than the representatives of the people have.

The leader of the opposition fulminated for twenty minutes yesterday because we were going to set up a board with powers to legislate, and we the representatives of the people before we could legislate had to get the franchise of the electors, and be elected to this house. But here was this autocratic and bureaucratic government going to empower a board that had never been elected by the people to make regulations and pass laws for the people of this country. Was it not terrible? Yet he had authorized in 1922 a board not only to pass regulations approved of by the governor in council but to enjoy and exercise such further powers as might be conferred upon it by the legislature of any province, powers conferred by a government outside of this government altogether, and this board had the power to create offences and fix the penalties for them, and there was not a whimper from any hon. gentleman opposite at that time about the constitution or about the Bill of Rights or Magna Charta or any of these other great disturbing things that

are going to upset all true and tried government in this country at the present time. I suppose that William and Mary never even heard of it.

The leader of the opposition referred yesterday to this unnamed board, appointed by governor in council, not by parliament, which was going to put into effect a scheme of operations not submitted to parliament, and with salaries fixed by governor in council, with allowances provided by the governor in council, and with all the powers which are being conferred upon them. Talk about a board for regulating trade; they were going to take the trade, according to the leader of the opposition. He talked about the poor fellow who could not sell his eggs and could not sell or export his butter and other articles. Why, Mr. Speaker, under this other act which I have cited if a single farmer in the province of Saskatchewan took a bushel of wheat and sold it to his neighbour for seed without the consent of the board he was liable to the penalty provided in the regulations that parliament had never approved of.

Mr. YOUNG: Now tell us about the bill that Anderson put through.

Mr. TURNBULL: I am not talking about the bill Anderson put through. I will talk about the bill Pattullo put through, if you like.

This board that hon. gentlemen opposite were going to set up had power to go through this country and appoint agencies, companies and organization all over Canada, and nobody thought that the constitution was being overturned or that the liberty of the subject was in danger. Not only was that board unnamed but the government went up and down the country for six months trying to fill the positions on the board, and they could not get anybody to adopt the baby that had been left on the doorstep.

Some question was raised yesterday as to the marketing of wheat under the bill now before us. There is not a single thing in the four corners of the marketing bill that is not on the statute books of this country now so far as the marketing of wheat is concerned. The wheat board bill has never been repealed—

Mr. TOTZKE: Then why the bill?

Mr. TURNBULL: —for purely political purposes.

Mr. DUPUIS: We know it.

Mr. TURNBULL: Did my hon. friend mean the marketing bill? Because as my hon. friend knows, the Canada Wheat Board Act covered wheat and grain, but it did not cover my hon. friend's cattle nor his butter and eggs. We do not wish to take power to take a man's wheat from him and force him to deliver it or to sell it to us, and then transfer it again, but we want a certain amount of power to regulate the travel of the farmers' products to market. There is not going to be any question of interfering with the individual marketing of grain or butter or eggs.

Mr. GARLAND (Bow River): Does my hon. friend suggest that this bill is but an extension of the wheat marketing act?

Mr. TURNBULL: I should hope not. I think my hon. friend was very much in favour of the wheat act.

Mr. DUPUIS: The hon. gentleman seemed to be making a comparison.

Mr. TURNBULL: The argument I am making is not at all that this legislation is the same as the Canada Wheat Board Act. If my hon. friend had been listening carefully he would know that the leader of the opposition yesterday,—and my hon. friend from Weyburn also did it to-day—read into this bill a great many things that were not in it and condemned those things. I have been pointing out that the very things that are not in this bill, and which the leader of the opposition condemned, were the very things he had enacted in 1922.

The object of this bill is entirely different from that of the wheat board act of 1922. There is no intention in this bill to take over the products of the producers of this country. The leader of the opposition went very far afield when he suggested that boots and shoes came within the purview of this bill, as well as furniture and a lot of other things. It simply indicated that he had not read the bill very carefully, if at all. If he had read it with any degree of care he would not have made those statements which he repeated over and over again, not simply once or twice, but three or four times, and which had absolutely no foundation so far as this bill is concerned.

This bill deals with the natural products which are mentioned and with other articles of food and drink that are made from those natural products, and unless my hon. friend turns to eating his boots, as he may have to do before he gets out of Prince Albert, this bill will not apply to him at all. The whole purpose of the bill is confined to those things which the leader of the opposition himself said were desirable. The sole and whole purpose of the bill is to provide for the orderly

travel of goods to market with as little interference as possible with the actions of individuals in getting those goods to market. My hon. friends on the other side of the house, of both parties, have over and over again declared that to-day our problem is not one of production but of distribution—that we were producing more goods than we could distribute. Now, this bill is an attempt to solve in some degree the problem of distribution; it is an effort to assist in that direction. There is not a single thing in the bill about production being restricted.

Mr. DUPUIS: Did you read it?

Mr. TURNBULL: I did read it, and there is in it nothing that says that the government or the board may restrict production.

Mr. YOUNG: They will licence producers and through that may restrict anything.

Mr. TURNBULL: Hon. gentlemen have wandered far afield in their endeavour to find points to criticize. The most strained interpretations conceivable have been put upon the bill. Do not hon. gentlemen think that we should be serving our constituents better if, instead of trying to deal with the bill in the manner in which my hon. friends opposite have discussed it, they took the view that at least it is a step in the right direction? Let us approach the consideration of the bill from this point of view, that it is going to be put into force, and the machinery operated, by decent, sensible people who will endeavour to serve the interests of those whom they will be trying to serve. Let us take that view rather than proceed on the assumption that all the scoundrels and scalawags that can be got together will be put on the board for the sole purpose of hampering the administration of the legislation and making the whole thing impossible. Let us take a different view of the bill from that. Why not assume its success as a possibility if not a probability, and that it will be of assistance to those whom it is intended to help? I am one of those who would be in favour of the greatest freedom in the marketing of products, and I should say that every man ought to market his own products as best he can, if only we were moving into unrestricted markets. But the fact is that we are not moving into unrestricted markets; we are moving into markets where it is not possible for everyone to market his products.

Mr. YOUNG: How will this bill open markets or remove restrictions?

Mr. TURNBULL: No one suggests that the bill is going to open markets or remove restrictions. That is one of the things which the hon. gentleman assumes that the bill is going to do and then he criticizes it because he says it is not going to do that. This bill was intended to enable the producer to get his products to market as best he may under the conditions that are prevailing in the restricted markets of the world, and to provide that you do not throw five or ten million barrels of one product upon a market that can absorb only half a million. The intention is that goods shall be directed to those markets where they can be best absorbed. Take my hon. friend's illustration about the lean cattle. The farmers of Saskatchewan had lean cattle and, he said, the board would prohibit the selling of them. It will do nothing of the kind. What the board would do would be this. It would direct that those lean cattle be placed where they could be developed into fat cattle and sold to proper advantage. They would not allow lean cattle to go to the stockyards and depress the price of the whole product. Rather, they would direct that they be sent to the men who have feed, to the grazing field, where they could be properly fattened for the purpose of being marketed under proper conditions. Surely that is entirely different from looking at the bill with antagonism and hostility, regardless of what our constituents want. Should we not try to see in what way the proposed legislation can assist the producer, instead of straining every effort to suggest difficulties, with all the devilish ingenuity which my hon. friend from Weyburn seems to possess.

There is in connection with this bill another point that seems to me to be of value. We are faced with the desire of agriculturists in France, in Italy, in Germany and in Great Britain, to have as large a part of their own markets as they can get, and there would be a feeling of hostility towards us if we tried to flood their markets and put them out of business. And that is only reasonable on their part. When the producers of Great Britain or of France are dealing with the individual traders and farmers in Canada, there is no possibility of getting together with a view to promoting mutual interests, but if we have a board in control of principal products in Canada, a regulating board, then that board can meet similar organizations in other countries and discuss matters of common concern in an endeavour to smooth out difficulties by cooperation, rather than by competition. My hon. friends opposite seem to be tired of the word cooperation nowadays, because they are not using it to the extent that they used to.

I am not one of those who believe in governmental interference with business; I am of the opinion that the less governments are in

business the better it is for both business and government as a rule. But there are occasions when cherished theories do not square with the facts—Facts are stubborn chiels that wilna ding—and sometimes we must make our theories accommodate themselves to the facts. We are not dealing with normal markets or marketing conditions, and theories that are of general application often do not apply under exceptional circumstances. For this reason, because I believe that the bill if properly applied, as I believe it will be applied, will assist in the orderly marketing of our goods, in the placing of our goods upon the best market, in the regulation of grades of goods that shall go to those markets, in providing that goods in an improper state shall not be marketed, and in doing various other things that will assist our producers—it is because I believe that the bill will accomplish these things that I support it, and in supporting it I think we are doing something for our constituents and for the country at large and particularly for those people who are engaged in the production of primary commodities. It is agreed, I think, that the producers of primary products are those most in need of assistance in this country at the present time. It is the feature of this depression, it is the feature of all depressions, that the prices of primary products fall further than do the prices of manufactured goods, perhaps because the producers of primary products are not so well organized as the other fellow. When you are returning from a depression to normal conditions, then the faster you can raise the prices of primary products in relation to manufactured products the sooner you will reach normalcy. And if this bill in any way, by regulating the flow of goods to the market—not restricting the amount that will go there—will help to obtain better prices for primary products, thereby restoring the producers of such commodities to a normal state, restoring their purchasing power, which has been sadly depleted, then I say that such a bill deserves our friendly criticism and the wholehearted support of the house and not the sort of sniping and backfiring that have come from the other side of the house in the last two days.

Mr. W. H. MOORE (Ontario): I have followed with very considerable interest the speech of the hon. member for Regina (Mr. Turnbull). I should like to reply to some of the statements he has made, but unfortunately I am going to confine myself entirely to the principle of the bill. I listened very attentively to what the leader of the opposition (Mr. Mackenzie King) said yesterday afternoon and evening and I did not gather from his statements that he approved of the principle of the bill. If it was a fair inference from what he said that he approved of it, then I respectfully disagree with the leader of the opposition. I want to make it very plain at the outset, so that there shall be no misunderstanding, that I am opposed to the principle of the bill.

I listened also with interest to the Minister of Trade and Commerce (Mr. Stevens); I am always interested in what he has to say in the house and I was a little shocked, I must confess, at his opening statement. Addressing the leader of the opposition, he used these words:

> Did he recognize at all that there had been a complete dislocation of world trade?

The Minister of Trade and Commerce is in charge of the bureau of statistics and for the work I have to do I lean very much upon that bureau. I regard accuracy of statement as the first essential of the bureau of statistics and I expect that from the minister in charge. I have before me a statement as to the actual condition of world trade as published by the League of Nations. There has been dislocation; there has been shrinkage. I am quoting now from volume three for the present year. It will be found that there has been a shrinkage in prices on the present rates of exchange of something around 50 per cent. That is not a complete dislocation of trade. It will be found that there has been a shrinkage of some 25 per cent in volume, in quantum. In other words, let me make that statement very plain. On the present rates of exchange trade at the end of the period quoted was, in dollars, some 50 per cent of what it was at the commencement of the crisis in 1929 and some 75 per cent in quantum of what it was in 1929. That is not a complete dislocation of trade.

I want to-day, if I can, to fit this bill into the world condition of trade, into the system of trade. We have heard in this house much of nomenclature. Sometimes we say that a thing is socialistic and it depends upon who says it whether we condemn or approve it. I want to know just what this measure is and shall confine myself first of all to making an inquiry. In the first place the Minister of Trade and Commerce yesterday evening was, it seems to me, just a little bit unfair in suggesting that we on this side of the house were not greatly concerned over present conditions. I have been following them with great anxiety. I realize that the government and the economic and political institutions of this country were subjected to severe strain and I feared that they would crack under it.

I may be wrong, but I see in this bill evidence that my fears are well grounded. I regard the bill as one of the most important, one of the most revolutionary measures that has ever been introduced into this house. Some reference has been made to its history and it may be that I can throw a little light upon that. I understood the Minister of Agriculture (Mr. Weir), to say that the bill had been copied from the Agricultural Marketing Act of Great Britain. In this house we are justifiably proud of copying British precedents, especially when they come from the United Kingdom.

Mr. WEIR (Melfort): I am afraid the hon. member is making a slight misrepresentation of what I intended to convey.

Mr. MOORE (Ontario): I shall be glad to be corrected.

Mr. WEIR (Melfort): I said it did in part include some of the principles of the British marketing act.

Mr. MOORE (Ontario): I accept the correction. I would like to go a little bit further and refer to something that seems to me at any rate to cover more clearly the principles laid down in the bill. This is a statement taken from an Economic Survey of Australia, volume 158, published in November, 1931, and given by the lecturer on marketing, university of Melbourne, Australia. In this statement hon. members will notice where the word "scheme" is derived. The lecturer says:

> In the inauguration of its agricultural organization scheme in 1922, the Queensland government provided what is perhaps the most remarkable instance of extreme legislative support of centralized marketing.

That bill was amended in 1929 and this is what the lecturer has to say of its character:

> Under this act, the government may at any time notify its intention to provide for the controlled marketing of any commodity, but provision is made for a poll of producers of the commodity to be taken on the question, if such is demanded, in which case 60 per cent of the votes cast must be in favour of control. . . . If the vote is favourable, or if no vote is demanded, a board authorized by the act to make all arrangements for the marketing of the whole of the product, is elected by the producers of the commodity concerned, together with one representative of the government. The scheme is not one of government control, but one of "compulsory cooperation."

If that is not the father of the act, it is the grandfather. It seems to me that the two principles are the same. I can well recall some hon. members raising their eyebrows askance at that time and stating that that was socialism; that the action of the Queensland government was socialistic. Well if it was then, it still is; there is no doubt about that.

I want to go just a step further. There has been some protest in the house about reference to what King John did at Runnymede and the hon. member for Weyburn (Mr. Young) was criticized for quoting John Stuart Mill. I am going to bring the house up to date and make a quotation from Doctor Robert Liefmann, on Cartels Concerns and Trusts, printed in 1932. I presume hon. members will recognize that Doctor Liefmann is regarded as a world authority on the subject. He is professor at Freiburg university. He says at page 222:

> The tendency towards compulsory organization of industry springs in part from socialistic ideals, since the socialists welcome anything which has the appearance of planned economy, and are quite willing to make use of capitalistic forms of organization to this end, as the syndicates and trusts of soviet Russia show. The expressions "socialism" and "socialization" have thus become extended to cover all sorts of organizations regulated by the state, in which, however, there is no question of the abolition of private property.

Now I take it that this government was not elected as a socialist government. That was not the platform on which they appealed to the country. We have had well recognized socialist views in Canada, presented by two parties. I shall be glad to be corrected if I am wrong in saying that the C.C.F. and the communist party have differed flatly on this ground: the C.C.F. have said, We want a mandate from the people to introduce socialism; the communist party are prepared to introduce it with or without a mandate. Now, Mr. Speaker, I am going to say in all fairness this government should have a mandate from the people before they effect such a violent change in the economic life of this country. Not a mandate such as has been suggested by the Natural Products Marketing Act; the vote of say 60 per cent of the producers, that would not satisfy me at all. I have not the slightest doubt that if you were to put the question to the potato producers, "Will you have competition or not"? You would get about the same response as if you put it to the politicians in respect to the next election. Probably the hon. member for Weyburn (Mr. Young) and myself, are the only two in the house who would vote for competition at the next election. And I am not so sure of myself.

The leader of the opposition last night did not visualize this bill quite as I would. He

had an idea of a body of men sitting here while parliament was not in session. Now the bill—and I have no desire to go into its clauses in detail—you will find, establishes a corporate body. That is the usual phrase. I have visualized a corporative state. I have visualized an occupational parliament. They exist in other countries. It seems to me that you have here the charter of such a body sitting in Ottawa, with the civil service, with power of taxation, as has been pointed out, with certain powers over the tariff. I have visualized that this parliament will abdicate the most important economic function that it has to perform, namely holding the scales evenly between buyers and sellers. It turns over the scales to the massed strength of the producers to be used against the scattered weakness of the consumers. I have read very carefully the bill in its different clauses and I find clause after clause which says, Pay, pay, pay. The power is given to tax the producers themselves. But if the taxation ended there it would clearly be of no benefit to the producers, so I take it that the principle is, Pay and pass. That is a well recognized principle in relation to all marketing boards. In the marketing board of the United Kingdom, as the Minister of Finance (Mr. Rhodes) well knows the subject is now a matter of discussion. Take the wheat import board of the United Kingdom, the board that deals with the wheat produced locally. The Minister of Agriculture knows that there is what is called a processing tax. The miller collects it, he pays to the wheat growers of the United Kingdom a deficiency payment, the difference between the price actually received and the price that is fixed by the government. Now here is the criticism that applies at that point. What is the amount, what taxation does the consumer actually pay in connection with that act? The matter came before the British house the other day. Mr. Elliot was asked: What was the expense of the marketing board? He said, I do not know. Then he was asked if the request were put on the record would he be able to tell within a reasonable time? His answer was, No; the member ought to realize that the government has no direct connection with the board. Now those things have led to dissatisfaction. The marketing board in the United Kingdom is not wholly popular. It is a conscription of the housewife; how could it be otherwise than unpopular? This act will have less popularity in Great Britain. The people of Great Britain are going through a struggle, and we admire their heroism. They are ready to sacrifice for their own farmers and producers, but I doubt if they are equally ready to sacrifice for ours. You cannot conscript the housewife in England much more. There are two million housewives in England on public relief. Even now there is a committee of the medical association examining the conditions of malnutrition in Great Britain, and the object of this bill clearly is to raise prices, and also clearly to raise them mainly at the expense of the British consumer. Mr. Speaker, this bill in my opinion—and I recognize the danger of prophecy—may have a very disastrous effect upon our imperial preference. I am going to give the government, and particularly the Prime Minister, credit for doing something that I did not believe could be done; that is induce the British government to put a tax on food. I must say that I still doubt the wisdom of it, but the Prime Minister and the government of the day secured the imposition of that tax.

Mr. MOTHERWELL: They are going to pay for it later.

Mr. MOORE (Ontario): It is not altogether popular in England. This bill will make it less popular. The Minister of Finance will remember that during the Ottawa conference there were nine economists who considered the effect of a food tax in Great Britain. Their conclusions were published in a book called Tariff, the Case Examined, at page 140. I should like to read just a paragraph, and as I recall it this particular paragraph was written by Sir William Beveridge, who says:

> Dominion farmers cannot, by any kind of preference in the English market, get more for their wheat than they can get without any preference at all, except on two suppositions: first, that they cease competing among themselves and form an export monopoly; second, that they use their monopoly power to sell more dearly to Britain than to foreign countries.

Then he goes on to say:

> The second supposition is startling. If it were realized, it would mean that the dominions were using the preference in order to carry out a scheme of monopoly dumping from behind the British tariff at the expense of the British consumer. It would mean that the British people were being taxed in the worst possible way to provide funds for subsidizing, not any of their own industries or interests, but either the dominion farmers or the trade competition of Britain or both.

Then Sir William goes on to say:

> It is hard to believe that Mr. Bennett, before making his proposals in October, 1930, can have thought out their economic implications.

I find it very hard to believe that the Prime Minister and the government have thought

out the implications of this act, because it seems to me—and if I am wrong I should be glad to be corrected—that it carries out the very fears that were expressed by those nine distinguished economists. It is bound to create resentment; all foreign monopolies create resentment. Wherever you are subjected to the importation of goods upon a basis that does not subject itself to economic provision there is not only resentment but you render trade in your own country impossible.

I must say that I sympathized with this government when they shut out certain imports from Russia on that very ground. I must say that I sympathized when it was proposed to raise the tariff against the United States on certain goods that were subjected to monopoly production, and I expect the people of England or any other country will have the same objection that we felt at that time. Australia realized the position. It will be recalled that at one time there was a compulsory marketing board for wheat in that country. In 1920 that board was dissolved, except in Queensland, for the very reason that I have offered, that it would lead to reprisals in the countries of importation. I know the Minister of Finance and the Minister of Agriculture are familiar with the compulsory marketing board in Australia in regard to wool, known as "Bawra" the British-Australian Wool Recovery Act. That board was dissolved in 1924. Many efforts have been made to revive it; Sir John Higgins and others have pleaded with the wool growers, but the wool growers have said, "No, we must sell our wool in open competition," and it is sold in the open market. And I would have the minister recall that while wool has been and still is subject to some restrictions it is less restricted than any other basic commodity and has been the first to recover its price.

Denmark is in much the same position. I have not the latest information but I know that within the last two years they have had a free, open market in regard to butter, with the exception of the use of the words "Lur brand," as the Minister of Agriculture will recall. Ninety per cent of the butter made in Denmark is exported. They sell their bacon in open competition, and eighty-five per cent of their bacon is cooperatively produced. Some of it is cooperatively marketed, but the Danes said, as the hon. member for Weyburn echoed, "What we want is a market, and we want that market to be as free as possible. We want to encourage the middleman to go out and sell our goods."

Last night the leader of the opposition referred to the economics of scarcity. Well, all the information that we are being given to-day as to the reasons for this bill is old information. The Minister of Trade and Commerce pictured to us what would happen if we exceeded our quotas. I should be glad to have, from the Minister of Agriculture or the Minister of Trade and Commerce, examples of where we have actually exceeded our quotas, not vain fears but actual instances which would indicate a real need for this legislation. Otherwise I must look over the world, and I must say that schemes of this sort have failed. The Chadbourne plan in regard to the compulsory marketing of sugar failed: it did not turn out to be the economics of scarcity. The plan was put into effect; in 1929 the visible world supply was over four million tons while in 1933 it was six million tons, and remember that the parties to the agreement kept their agreement, but there was a shrinkage in consumption. That is the invariable effect of the economics of scarcity and of marketing monopolies. In regard to coffee even the figures have been destroyed; twenty-seven million bags of coffee were destroyed. In connection with copper there was a marketing monopoly the world over, and there was a revolution in Chili. There was a revolution in Brazil in regard to the marketing monopoly of coffee, there was a revolution in Cuba in regard to the marketing monopoly of sugar, and we know that to-day Russia is another example.

I should like to speak for a moment or two about another feature of the bill, namely that having to do with spreads. May I say to the minister that I began life as a market reporter on Front street in Toronto. I knew those men who bought and sold the products affected by this bill. As I look back I realize that very few of the men I knew in those days are rich to-day; as a matter of fact I know of none. The proposal is to fix spreads. Well, a commission merchant may make one hundred per cent profit on a transaction and hon. members may say that is a very large spread. He may make one hundred and fifty per cent or two hundred per cent,—put it as large as you like. But the next day he is liable to lose as much on another transaction. How are you going to regulate his spreads? Is this the only legislation we are to have affecting spreads? Does the government for one moment think that it can stop with this legislation? I suggest that there are more inequitable spreads in wages. Is the government going to attempt to iron out those wage spreads? There are more inequitable spreads in wealth; is the government

going to adjust that? Once you roll a heavy burden half way down a hill it is very hard to hold it.

I believe I can see that the government have been following the advice of Sir Arthur Salter in a lecture delivered recently to Cambridge university. Sir Arthur Salter referred to legislation of the sort as a kind of bastard socialism pressed upon harassed governments by sectional organizations. Mind you, Sir Arthur was in favour of it, but on conditions. May I at this point read briefly from page 20 of his book The Framework of an Ordered Society:

> I believe that we can both plan and preserve freedom on three conditions: That parliaments will delegate some of their functions to the executive, without abdicating their ultimate responsibility; that the executive will fit itself for its tasks by welcoming the assistance of those who direct the actual economic activities of the country; and that these in turn will assume the task of collectively controlling and planning their own activities, in association with government and through an appropriate organization.

It seems to me that is precisely what this government proposes doing. And here is Sir Arthur Salter's stipulation—and no inference is required, because he makes it very plain—that to carry it out you must have a world ordered economy. He puts it in this way:

> The whole of these sectional planning and guiding authorities would be linked together by the formation of wider councils, drawing their membership by selection from the smaller councils, and culminating nationally in national economic councils, and internationally in a world economic council; these councils being suitably related to the governments, so that the whole system would be an adjunct to—or rather an integral part of—the machine of government.

That is the edifice. There are two lions' dens, one in Moscow and one in Geneva. Canada would be unwise to go into either of them. We have a heritage here; we have a vast country, and we are proud of it. Every hon. member in the house is proud of it. Do you think for one moment that a world ordered society does not mean ordering from a world centre? And if you can order production you can order migrations, and we thereby surrender our autonomy. It may be that it is necessary, but I should like to have further information.

May I in conclusion quote another statement by Doctor Liefmann. Coming from a German, under present conditions the statement is of double interest. I can see reasons as outlined by the Minister of Trade and Commerce as to why this bill should be passed. The hon. member for Regina asked us to think of these reasons and to give the bill sympathetic consideration. I want to point out—and I presume that is the purpose of an opposition—the difficulties and inescapable consequences, so that hon. members may weigh them. Doctor Liefmann says:

> The resulting mixture of economics and politics, which keeps on attributing new tasks to the state, is a good deal to blame for the lack of patriotism so generally deplored in Germany and for generally admitted stagnation or even degradation of our political life; it has also had disastrous effects on our foreign policy. The state as the great defender of justice and welfare ought to stand above the economic system and work for social equilibrium within this system. If it is too much drawn into the war of interests, and has economic interests of its own all over the place, it loses its authority and becomes less and less capable of effecting the impartial regulation of economic life.

May I give that statement a home touch. I should like to quote something stated yesterday by the Minister of Trade and Commerce which gave me a picture of the difficulties that this government will face, once this bill has become law. I believe the minister did not mean what I have taken from his statement, but referring to apples he said:

> For instance our friends in Nova Scotia, who are only five or six days distant from the British market can pour their apples in while British Columbia and Ontario might be handicapped in that regard. Or British Columbia might have say 10,000 cases going through by way of the Panama canal in cold storage; the market is in danger of being flooded, and someone from eastern Canada pours his apples in and destroys it. No one I am sure desires that.

Well, may I tell the Minister of Trade and Commerce if I were a Nova Scotia apple grower I would desire it. I would like to take advantage of my geographical situation, and I believe the apple growers of Nova Scotia, generally, will take the same position. In connection with this bill we are going to meet that situation over and over again because, remember, you have assigned all but the mineral kingdom to the new occupation of parliament, and you have done it because others have done it. If I were on the shores of the upper Niagara river and I saw a man plunging in, I would not follow him. There is scarcity and poverty on the shores of the upper Niagara but they are not to be escaped by plunging into the river. I would stay on land. If the situation is so serious that it means the destruction of capitalism in this country, and remember that our economic life is within a political frame, then I should

be one of the first to support this government in an effort to ward off what I at any rate believe would be the destruction not only of the social life but of the economic and political life that we have led and have been proud to lead in this country.

Mr. JOHN VALLANCE (South Battleford): Mr. Speaker, I propose this afternoon to deal with the marketing bill before us from the standpoint of a wheat producer of western Canada. The hon. member for Regina (Mr. Turnbull) gave to the house this afternoon an account of the different methods which have been adopted by the farmers of this country in past years for the marketing of their products, and he emphasized particularly the wheat board. Perhaps I cannot do better than give a summary of just what the farmers of western Canada have attempted to do in past years in the effort to solve this great problem of marketing the wheat crop of western Canada.

Their first concerted effort was to organize the United Grain Growers' Grain Company. That was the first, shall I say, cooperative effort on the part of the farmers to market at least a portion of the wheat crop of the three prairie provinces. Then came the Co-operative Elevator Company of the province of Saskatchewan. In the province of Alberta we had a similar organization. Then in 1919 came the wheat board. I know that my hon. friend from Regina was not dealing with the wheat board of 1919.

ROYAL ASSENT

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

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

Accordingly, the house went up to the Senate.

And having returned,

Mr. SPEAKER informed the house that the deputy of His Excellency the Governor General had been pleased to give in His Majesty's name the royal assent to the following bills:

An Act for the relief of Gertrude Ethel Mosgrove Roast.

An Act for the relief of Clara Dingman Freeman.

An Act for the relief of Marguerite Pearl Hopper.

An Act for the relief of Sadye Harris Rosenberg.

An Act for the relief of Eva Brabant Paradis.

An Act for the relief of Williamina Muir Briggs.

An Act respecting Prudential Trust Company, Limited.

An Act to ratify and confirm an agreement respecting the joint use by His Majesty and the Commissioners of the Transcontinental Railway of certain tracks and premises of the Canadian Pacific Railway Company at Quebec.

An Act respecting Relief Measures.

An Act to amend the Criminal Code. (Race meetings.)

An Act to amend the Precious Metals Marking Act, 1928.

An Act to amend the Dairy Industry Act.

An Act to amend the Destructive Insect and Pest Act.

MARKETING ACT

The house resumed consideration of the motion of Mr. Weir (Melfort) for the second reading of Bill No. 5, to improve the methods and practices of marketing of natural products in Canada and in export trade, and to make further provision in connection therewith, and the amendment thereto of Mr. Mackenzie King.

Mr. VALLANCE: I was attempting just before we proceeded to the Senate to enumerate various steps which the farmers of western Canada had taken in marketing the entire crop grown in the three western provinces, and I had reached the point where we had come down to the wheat board of 1919. I think there is a misunderstanding, not only in the minds of many members of this house but throughout the country, the impression being that when this bill comes into operation, if it does, it will have the same effect as the wheat board of 1919 had. I propose to deal with the differences but I might at this time make this statement. The wheat board of 1919 received all the wheat, when the farmer chose to deliver the wheat, and at all times they fixed the price for the wheat. The board of 1922 was similarly constituted. So that when you take the legislation that was put through on both occasions to make it possible for those boards to function and compare that legislation with the legislation we are now considering, in my opinion you cannot make a just comparison.

I am one of those who believe that some assistance in some way is necessary to allow the wheat grower to carry on. I read a very interesting article published in the Farm and Ranch Review, which probably confirmed this opinion of mine more than anything else that has been drawn to my attention. This article appeared in the Farm and Ranch Review of December, 1933, and it indicates all the countries in which the government is in some way either subsidizing production or affording tariff protection. Apart from one

occasion on which this government paid a bonus of 5 cents on wheat we have received no subsidy nor have we had assistance from this government, and I realize as well as other members of this house do that it is impossible for the government to give us assistance by tariff protection.

Now, the countries that are enumerated in this article I should like to place on record, so as to show what they propose to do. They are not dealing entirely with the wheat situation but with the situation that is most prominent in the particular country in which farmers are affected. We come first to the Argentine and we find that under the sugar production law the output is restricted to 368,000 metric tons so as to maintain the home price level. In Australia the stabilization committee under the Patterson plan removed surplus butter with indemnification for loss in exports so as to increase the domestic price. There is a protective tariff of 7d. per pound. Sugar prices are fixed by government with indemnification for export losses. Cotton price is fixed at 5d. per pound until 1935. There is a bounty of 1½d. paid the grower and a bounty paid on wheat and flax to the grower. Under the British quota lamb and mutton export is to be restricted. I will not read all the details but will indicate the countries. In Austria there is a bounty on the production of grains. In Belgium there is a subsidy to farmers on arable lands. Brazil has a coffee valorization plan. Bulgaria has an export bounty on rye and wheat, while beet sugar prices are fixed by law and imports are prohibited. In Chili the agricultural export board fixes domestic agricultural prices and grants subsidies on exports. Czechoslovakia has an export bonus which is paid upon agricultural products of all kinds. In Denmark the retail domestic price of beet sugar is fixed by the government and measures are also taken to maintain domestic prices of cattle and swine. Then we find Esthonia, Finland, France, Germany, Greece, Hungary, Italy, Japan, Latvia, Lithuania, the Netherlands, New Zealand, Norway, Poland, Portugal, Roumania, Southern Rhodesia, Spain, Sweden, Switzerland, the Union of South Africa, Russia, Uruguay, Jugoslavia and the United States—all those countries with some system either of bonuses or tariffs for encouraging their farmers.

I was very much interested last night in listening to the Minister of Trade and Commerce (Mr. Stevens) when he made this statement, in speaking about the leader of the opposition (Mr. Mackenzie King):

He gave no consideration to the difficulties with which the primary producer—agriculturists, timber producers, fishermen—have been confronted in the last two or three years. No attention was paid to their problems. There was not a syllable in his whole speech devoted to offering a solution or encouragement, or even recognition of the existence of these problems.

Further on he said:

The agricultural population of this country, constituting as it does about half our population, have during the past few years been suffering under a price condition which made the carrying on of their business almost an impossibility. That has been recognized. Just what to do to change that condition is the problem.

Again he said:

But the purpose, the general scheme, the theme that runs through the whole of this bill, is directed to trying to improve marketing conditions in this country.

After listening to the Minister of Trade and Commerce giving utterance to those words I was considering just what the government had done to relieve or help the people about whom he was then talking. This morning I received a letter and with the permission of the house I would like to read it. It is addressed from Freemont, Saskatchewan, and is dated April 16, 1934. It reads:

Dear Mr. Vallance:

I herewith enclose correspondence, and particulars relating to a bundle sent to a young man, recently married, who resides just south of Freemont. The articles in the parcel were sent to him by his mother as wedding gifts and as she sent the bill to Dinsdale, he knows that the total cost of the goods in England was only $30.39.

What I am trying to establish is just what this government has done to assist those individuals about whom the Minister of Trade and Commerce was talking last night.

Young Dinsdale's wife gave birth to a child a few weeks ago, and our municipal doctor reports them living in extremely poor circumstances. But for a little timely assistance, Dinsdale could not have paid the duty demanded on the parcel, and it would have been sold at auction in the usual way, I presume. A good many persons in like circumstances would have been on municipal relief long ago, and yet this is the encouragement this man's parents get for trying to assist him.

I should like the house to visualize a family out in Freemont, Saskatchewan, one of those for whom the Minister of Trade and Commerce is so solicitous and to visualize the mother and father back in the old land. They knew this boy was on relief and they sent to him a bundle whose contents I pro-

pose to enumerate in order that we may see just how much encouragement was given to the parents to assist their boy in this country. The parcel contained cotton pillow cases, linen towels, cotton towels, cotton sheets, blankets, cotton fabric and sewing cotton, and the entire cost in the old country was $30.39. When it passed through the customs they then for duty purposes added $16.58, making an arbitrary valuation of the goods of $46.97 and they charged a duty, taking everything into consideration, of $20.81. I ask the Minister of Trade and Commerce: Does he consider that that is giving assistance to those people he mentioned and was so solicitous about last night in the speech he delivered in support of this bill? Is that the type of treatment they have to expect from the government on the one hand while the minister tells us that they have drafted this bill entirely in the interest of the producers? No; when this bill is thoroughly understood by those individuals about whom I am now talking, it will not receive the consideration he expects.

So far as this matter of markets is concerned, at the imperial economic conference in 1932 we entered into an agreement and on page 50 of the report of that conference will be found the United Kingdom-Canada agreements. In section 4 I read this:

> It is agreed that the duty on either wheat in grain, copper, zinc or lead as provided in this agreement may be removed if at any time empire producers of wheat in grain, copper, zinc and lead respectively are unable or unwilling to offer these commodities on first sale in the United Kingdom at prices not exceeding the world prices and in quantities sufficient to supply the requirements of the United Kingdom consumers.

I should like the house to note this:

> At prices not exceeding the world prices and in quantities sufficient to supply the requirements of the United Kingdom consumers.

Under this agreement we guaranteed that we would deliver to the mother country wheat in quantities and delivered at such time and in such place as she desired.

Now we come to the next step in marketing the wheat of the western farmer. The government found they had to step in and stabilize the market. I did not blame them for that; they felt it was necessary, but I wish to draw the attention of the government to just what this has meant on the British market. Might I say, in passing, that when they did that they violated the contract or agreement into which they had entered in Ottawa in 1932, because wheat prices in Canada have been entirely out of line with world prices. I have in my possession various communications from those in the old land who are interested in the export of Canadian wheat. I do not wish to read too many of them, but I think it is only right, in order to draw the matter to the attention of the government, that I should read at least one. The greatest volume of Canada's number one hard wheat is sold in the country from which I came, Scotland. Ninety-eight per cent of all wheat coming from Canada that is milled in Scotland is number one, and the best market that Canada had—it does not have it now—for number one and number two hard wheat was there. The other day I received a communication from the Scottish Co-operative Wholesale Society, Limited. This is probably one of the largest organizations in existence, and one of the largest consumers of Canadian wheat in the world. They enclosed an article taken from the Glasgow Herald of March 27, 1934, less than one month ago. I propose to place this on record:

> Mr. John I. McFarland's statement in your issue of 23rd instant, made before the banking and commerce committee in the Canadian House of Commons on the eve of his departure for Rome, is a most extraordinary one.
>
> Some years ago a suggestion was made that the Canadian people should be taxed for the benefit of the farmer. It was unanimously rejected,—

That refers to the one hundred per cent pool that was suggested.

> —but Mr. McFarland and Mr. Bennett have been controlling the price of Manitoban wheat with the backing of the banks of Canada and the guarantee of the federal government. The result is that they are faced with enormous loss, and therefore taxation has been forced on the Canadian people as a whole for the sake of the farmer.
>
> Mr. McFarland says he has got rid of over 1,000,000,000 bushels of wheat in three years, and he makes a supposititious case stating that the price might have fallen to ten cents per bushel. Well, it did not, and he cannot get any credit for that. Therefore, he claims to have saved £20,000,000. But this will convince nobody.
>
> He now says that an increase of ten per cent over the prices now ruling would enable him to break even. This is of no interest to anybody. It is a pure gamble. As he stands today it looks as if he would lose between £4,000,000 and £6,000,000.
>
> Mr. McFarland denies that he has been gambling. Still "a rose by any other name would smell as sweet." He has undoubtedly been gambling, because he is buying wheat that he is not going to use, and for only one purpose.
>
> He further goes on to say that in the United States, France, Germany, and the United Kingdom the bonuses and arrangements made have been successful, and he makes out that

the British farmer has disposed of 50,000,000 bushels at a price of one dollar thirty-five cents in place of fifty-four cents.

I suppose he means by this that the farmer is getting 45/- for his wheat, which is really only selling at 19/6d. This is not correct. The farmer is only making 19/6d. per quarter, and the government is paying him the difference between that and 45/-.

Now the Ottawa conference was intended to base wheat on a natural level. But this idea Canada immediately proceeded to interfere with, with Mr. Bennett's and Mr. McFarland's assistance.

Therefore I claim that their action is a breach of the Ottawa conference. They held up the price of Canadian wheat until it was running about 6/- to 7/- per quarter above the price of 64 pound Argentine wheat. This could not be called a natural price for wheat.

Mr. McFarland seems convinced that he can hold back Canadian wheat and make people pay any price he wants. Well the importation of Manitoban wheat to this market has fallen almost 50 per cent in 1933 compared with 1932, while imports from Russia, Germany, France, the Argentine, Hungary, etc. are in some cases four times what they were.

Mr. McFarland and the pool action have cost Canada her continental trade. If he goes on as he is doing it will cost Canada the British trade.

I had in my file, Mr. Speaker, a note of the extent to which other countries have increased their deliveries of wheat to the British market, but I am sorry to find that it has gone astray. I would very much like to have placed it on Hansard.

Mr. STEVENS: The quotation the hon. gentleman has just read was, I presume, a letter published in the Glasgow Herald?

Mr. VALLANCE: Yes.

Mr. STEVENS: Did it give the name? If the name was published there should be no objection—

Mr. VALLANCE: No, I have no objection. It was a letter that appeared in the Glasgow Herald, and was sent to me by the Scottish Cooperative Wholesale Society. The letter is not signed, but it was sent to me from that society.

Mr. STEVENS: A most reputable organization; I am not questioning that.

Mr. VALLANCE: I suppose it came to me because of the association I had with that organization in my boyhood.

In another communication that I have received from Glasgow, from the Scottish Millers' Association, eight points are brought out:

(1) That the policy of Mr. Bennett and Mr. McFarland on Canadian wheat is wrong. They are holding the wheat at an artificial price compared with other world wheat.

[Mr. Vallance.]

(2) That it may cost them very dear and reduce the consumption of Manitoban wheat permanently.

(3) That it is not in accordance with the arrangements made at the Ottawa conference.

(4) That it may alter the methods of baking so as to use less Manitoban flour.

(5) That it is unfair to the importing trade to have a premium put on Canadian milled flour after their fighting a battle with the British government to get this flour in free.

(6) That bakers cannot be compelled to buy flour regardless of its price, or a wheat regardless of its price compared with other competitive wheats.

(7) That the Argentine is one of the many sources of danger because they are selling a very good wheat (64 lbs.) at 6/- per quarter less.

(8) That the Canadian position with the Canadian farmers will be worse than ever.

The other night when the Minister of Trade and Commerce was putting through some of his estimates I drew to his attention the fact that these countries had been increasing their exports into the British market while ours were declining. He indicated at that time that as far as the Argentine was concerned the exchange was probably responsible. In regard to Australia he said the reason was the same. As to Russia, well of course there is nothing permanent there; Russia might at any time dump wheat in order to establish credits in any market. Then I pointed out to him that it was the "sound money" policy of this government that was responsible for our wheat not being sold to the same extent as in 1932, and coupled with that is the fact that the price of Canadian wheat was out of line with world prices. The letters I have had from the old country show that there was a time when they depended entirely on the western United States for their hard spring wheat, and if Canada continues to pursue the policies she has now adopted they probably will have to resort again to wheat from that country. The Minister of Trade and Commerce knows that the British market is the only potential market we have, in spite of the six cent preference. Now we propose to bring new legislation; we propose to bring in a bill to encourage the marketing of the wheat of Canada.

I have not time to deal with all the clauses to which I should like to refer, but before attempting to analyze the bill from the standpoint of the wheat grower I should like to say something about the wheat agreement, because it has to do with this very problem of marketing Canada's wheat. We entered into an agreement under which Canada was allotted a certain quota in the world market; this quota was to be passed down to the provinces, from the provinces to the municipali-

ties and from the municipalities to the individual growers. I suppose the powers granted in connection with the wheat agreement will be passed on to the board to be set up in connection with the marketing of our wheat, because section 4 of the bill says:

The board shall, subject to the provisions of this act, have power—

(a) to regulate the time and place of marketing the regulated product, and to determine the manner of distribution and the quantity and quality or grade of the regulated product that shall be marketed by any person at any time, and to prohibit the marketing of any of the regulated product of any grade or quality.

The average wheat grower in western Canada usually has his obligations fall due on November 1, and it is his ambition to sell his wheat before that date in order to meet those obligations. Even under the wheat agreement, without the application of this bill, it might not be possible for the producer to do so. I should like to recite a hypothetical case. We will assume that in normal times a farmer produces ten thousand bushels of wheat; under the agreement, whether it be the ten year volume and three year average or the three year average and three year volume, he will be given a specific amount of wheat to deliver. Under the ten year volume he will deliver seventeen bushels to the acre; under the three year volume he will deliver thirteen bushels to the acre. We will suppose that a farmer grows, as I have grown, thirty to forty-eight bushels to the acre; he is allowed to deliver seventeen bushels. I think the Minister of Trade and Commerce (Mr. Stevens) knows, as well as it is known by those of us who understand the wheat industry from a practical standpoint, that if under the wheat agreement or under this bill I am permitted to deliver only a certain portion of my production, either seventeen or thirteen bushels to the acre as the case may be, and am compelled to hold back the remainder of my wheat, it will be impossible for me to finance my operation. How can the farmer finance the taking off of his wheat or the operation of his farm? If I am allowed to deliver only seventeen bushels to the acre it is financially impossible for me to pay the cost of producing anything from seventeen to forty-eight bushels. I am therefore not permitted to meet my obligations. The law says I am permitted to deliver only a certain volume of wheat, but it also says that I must pay my labour, my taxes, the grocer, the baker and all the other bills incidental to the operation of a farm. If this agreement into which Canada has entered is in the interests of the country as a whole, as I hope it is, then I say the wheat producers of western Canada should not be asked to carry this load, because under present conditions western agriculture cannot stand it. I am one of those who favour the setting up of a marketing organization that will take delivery of all the wheat and then Canada can do what she chooses with it. We should not ask the grower to bear this burden; I do not think it is fair.

Coming now to the bill before the house, I find myself up against the same thing. The argument that has been advanced in connection with the wheat agreement, and that will be advanced in connection with this bill, is that the best place to store wheat is back on the farm. You cannot negotiate wheat when it is on the farm, Mr. Speaker; no farmer can go to the bank, in spite of section 88 of the Bank Act, and establish a line of credit on wheat lying in the granary. So how are we to carry on? I still say that if Canada wishes to control and regulate wheat she should take the responsibility of financing the whole operation, objectionable as that might be. Then subsection (c) of section 4 states:

to compensate any person for loss sustained by exporting, storing or withholding from the market any product pursuant to any determination or order of the board.

If the government suggest to me that I deliver only a certain portion of my wheat will they, because I have to store the remainder, pay me for the storage of that wheat? I doubt it. There are many sections of this bill with which time will not permit me to deal, but to which I have very strenuous objection. We come to subsection (f):

to require any or all persons engaged in the production or marketing of the regulated product to register their names, addresses and occupations with the board—

What I object to most strenuously in this bill is the domination of a group, a board set up by order in council, with the producer never consulted and never considered. I believe in cooperation; I should be inclined to support a resolution which would provide, in connection with the growers of wheat or those concerned in the production of the other primary products of Canada, that when seventy-five per cent of the total had voiced their intention of so doing, the other twenty-five per cent should be compelled to cooperate so that the producers themselves would manage the sale of the product. One of the most regrettable features of the activities of the farmers in attempting to market their products has been the fact that they have depended upon men who, in many instances,

were not experienced in the marketing of those products, and as a result the farmers suffered. Under this legislation a board is to be appointed by the governor in council. I would expect, at least, that the chairman of the board would be brought from the grain exchange in Winnipeg, because he would have a knowledge of the marketing of wheat. If my suggestion were adopted, however, and the farmers were allowed to band themselves together and choose their own board I think it would be much more efficient because of the interest they have in the marketing of their products.

Under this legislation we are to have three types of boards, beginning with the central board sitting here in Ottawa and including the provincial boards and the local boards. There is so much machinery involved in this proposal that it is enough to ruin it. I am absolutely opposed to this type of legislation. During the twenty-eight years I have lived in western Canada I have been pledged to the support of cooperative marketing, but in this act I see no vestige of cooperation.

Then we come to subsection 6 of section 4:

The board may require the local board to furnish full information from time to time relating to the production and marketing of the regulated product, and shall advise the local board in all matters relating to the exercise of its powers.

This subsection gives the power of regulating production. The board would have power to say to me how much wheat I may grow or how much I may market. First as an individual and a grower, and secondly as a representative of a rural constituency, I refuse to support any such legislation as this.

Then we come to the marketing schemes, and we find the following:

A representative number of persons engaged in the production and marketing or the production or marketing of a natural product—

Not the producers. It may be a marketing organization. This subsection departs entirely from the rights of the producers.

—may petition the governor in council to approve a scheme for the regulation of the marketing of such natural product by a local board under the supervision of the board.

(2) The petition shall be filed with the minister and if he considers that the persons engaged in the production or marketing of the natural product are sufficiently represented by the petitioners, the scheme shall be referred to the board with a request for a report on the expediency thereof.

(3) Upon receipt of a report from the board recommending the approval of the scheme as submitted or as amended by the board, the minister may recommend the approval thereof, and the governor in council may thereupon approve the said scheme and fix the date when the same shall be effective.

[Mr. Vallance.]

I wish to deal with only one other clause before six o'clock, and with that in mind I turn to paragraph (b) of subsection 4 of section 5:

(4) Before any scheme is approved the governor in council shall be satisfied.

(b) That some part of the product produced may be exported.

I shall not go into details in connection with all these paragraphs, but would simply draw to the attention of hon. members the fact that from paragraph (b) to (i) the producers have no say whatever as to the personnel of the managements of local boards.

There has been a great deal of discussion as to the legality of certain pieces of legislation, and whether or not they are at variance with the British North America Act. I have before me an article from the Winnipeg Free Press headed Under the Dome, and dealing with section 121 of the British North America Act. That section is as follows:

All articles of the growth, produce or manufacture of any one of the provinces shall, from and after the union, be admitted free into each of the other provinces.

The point I should like to place before the government is this: Under the bill I am not permitted to sell wheat to anyone other than the marketing board. Yet the interpretation of the person who wrote this newspaper article, and it is my own as well, is that section 121 extends to the provinces the right to engage in interprovincial trade. Has this government to-day the power to tell me that I cannot deliver any of my wheat or the products of my farm to John Doe who may live in any of the other eight provinces? Under the bill now before me the government state that without their permission I cannot do that. First, I have to be a licensed grower; I have to have a licence even to grow it. Then I must be licensed to sell it, and can sell only to the board.

Mr. YOUNG: Or go to gaol.

Mr. VALLANCE: Or suffer a penalty, yes. To me, Mr. Speaker, the penalties under this legislation are altogether out of proportion to the offences. I should expect that some member of the government would clear up the point I have raised in connection with section 121 of the British North America Act. As a resident of Saskatchewan I contend I have the right under that section to deliver any or all of my wheat to any individual who may live in one of the remaining eight provinces.

I am very sorry that I cannot support the measure, although I am in favour of a co-operative marketing bill which would permit the producers of any primary product to

attempt by joint effort to market their own products in their own manner. If this bill is so amended I shall give it every support, but in its present state I cannot. I have sent many copies of the bill out to the farming districts, and I believe when it is understood by those whom supposedly it is framed to help it will meet with the same opposition as that which it is meeting at the hands of the official opposition.

Mr. STEVENS: May I ask the hon. member a question?

Mr. VALLANCE: Yes.

Mr. STEVENS: What is there to-day in any law to prevent any group of producers from getting together for the purpose of marketing their own products?

Mr. VALLANCE: No one knows better than the minister that at one time an attempt was made to have one hundred per cent control in the three provinces. I am told by an hon. member sitting near me that at one time British Columbia attempted what the minister has suggested, and they were told that their action was ultra vires, and that there would have to be amendments to the British North America Act.

Mr. STEVENS: Of course that is not what the hon. member said a minute ago.

Mr. VALLANCE: What did I say?

Mr. STEVENS: I am not quibbling with the hon. member; I was merely curious to know what he meant. The hon. member said that—

Mr. VALLANCE: I would rather have the minister ask me if I said it.

Mr. STEVENS: —he was in favour of groups of producers having the liberty to get together under a cooperative system for the purpose of marketing their goods. What is there to-day to prevent them from doing that?

Mr. VALLANCE: The trouble is that we cannot compel others to come in. I suggested that when seventy-five per cent of the growers interested in any one commodity desired that it should be made compulsory for the other twenty-five per cent to come in, it should be so. That is the point I made.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

RAILWAY ACT AMENDMENT

The house resumed from Tuesday, April 17, consideration of the motion of Mr. Reid for the second reading of Bill No. 21, to amend the Railway Act (rates on grain), and the proposed amendment thereto of Mr. Barber.

Hon. R. J. MANION (Minister of Railways and Canals): Mr. Speaker, the other evening my hon. friend from New Westminster (Mr. Reid) discussed very moderately but at some length the bill which is now before us, but as there was a good deal of discussion at that time I unfortunately did not have the opportunity of speaking for a few minutes to offer my views, and consequently the debate has gone over until this evening.

During the previous discussion one of the members on this side of the house moved an amendment in effect that the bill be referred to the board of railway commissioners, which after all is exactly where the matter should go to my mind because it deals entirely with freight rates, and if there is a more complicated question than freight rates that can be discussed anywhere I should like to know what it is. I presume we will all admit that the tariff, for instance, is a very complicated question, but to my mind it is child's play compared with the question of freight rates. I do not consider, sir, that this house or the government of this country or any government or any House of Commons previous to this one has been or is the proper body before which to bring such a question as this, with all due deference to my hon. friend's argument to the contrary.

The government of Canada in 1904 established the board of railway commissioners whose duty it is to deal with freight rates, and since that time, with one or two extraordinary exceptions, it has always been considered that the freight rate structure is a question too technical to be dealt with by this house. My hon. friend from New Westminster will not quite agree with that, but let me illustrate what I mean by that statement.

Let us imagine that this bill should become law. It would in effect make the freight rates westward exactly the same as the freight rates eastward on the basis of the Crowsnest pass rates and on the basis of the shorter haul from Calgary rather than the longer haul from Edmonton. That perhaps may not be very clear to those who have not looked into the question, but my hon. friend from

New Westminster and my hon. friend from Fraser Valley (Mr. Barber) and others who have studied the matter will understand the statement. Now if you pass this bill and fix these rates at the present time, it does not matter what the details of the rates are; the fact remains that you are fixing freight rates in this house and any member of the house on either side and belonging to any party would then be justified in coming before the house and demanding that we also fix the freight rate on some particular commodity from his constituency moving to some other section of the country.

That is not a far-fetched illustration, because while my hon. friend from New Westminster was speaking the other evening I jotted down different products on which I have been approached this year by various members to your left, Mr. Speaker, and also to your right, in respect of which special freight rates were asked because of the distressful times in various sections of the country. I have had some hon. members from northern Ontario, for example, and some from southern Ontario take up the question of the rates on pulpwood, claiming that the freight rates are unfair to the pulpwood industry because of the low prices of all lines and the lesser demand for pulpwood and paper in the United States, and so on. My hon. friend from Gloucester (Mr. Veniot) nods his head in assent. He understands that question because he comes from a section where pulpwood and lumbering generally is a very important industry. On a number of occasions the members from this side of the house and from the other side have requested that the Canadian National Railways—they have even suggested that I intercede with the Canadian Pacific Railway—should endeavour to set special rates for their section of the country on pulpwood and lumber products in general. I have also had many requests from various parts of the country demanding special rates on agricultural products because of the very low prices that prevail at the present time and because of the difficult position in which the farmer finds himself to-day in trying to make ends meet. I have always answered that it was a matter over which I have no control, and I say frankly that I have passed these letters on to the particular railway concerned, the Canadian Pacific or the Canadian National, because I have no power to compel them to control or fix these rates. The only body aside from the railways themselves which has power to deal with the freight rate structure in this country is the board of railway commissioners, and I have pointed that out to anyone who has approached me on questions such as this.

I mention that because it will illustrate to my hon. friend from New Westminster the Chinese puzzle which parliament would have to deal with if we attempted to enter into such a complicated question as freight rates, and to show the house how complicated the question is I am going to quote a paragraph from the general freight rates investigation made by the board of railway commissioners.

Mr. NEILL: What date?

Mr. MANION: Unfortunately I have not the date, but I think it was in the year 1927. It is the report of the general freight rates investigation—

Mr. REID: It was in 1927.

Mr. MANION: I thought that was the year. I quote from page 140 of that report:

> Numerous exhibits have been placed before the board and costs and comparisons made from all angles. Studies are presented comparing operating costs in the British Columbia district—

That is what my hon. friend did the other night. If I understood him aright he quoted from the middle of one page—and I am not criticizing him at all for that—just one of the statements to which this paragraph refers. It goes on—

> —with those of the prairie district from the standpoint of average mileage operated, of freight operating expenses, gross ton miles, net ton mileage, freight train miles, loaded car miles, empty car miles, per mile of road, as well as from the standpoint of net tons per train, gross tons per train, net tons per car, loade cars per train, empty cars per train, ratio of empty to loaded car mileage, net tons per mile of road, and freight trains per mile of road and from all these computations and standpoints ratios and averages were worked out involving extremely complicated and exhaustive calculations, all of which are to some degree interrelated, and no one of which, perhaps, by itself leads to any absolutely certain and definite conclusion.

That is the attitude of the board of railway commissioners on this exceedingly complicated question. I well remember the late vice-president in charge of traffic of the Canadian Pacific Railway, Mr. Lanigan, an old friend of mine, now retired, who had been in charge of traffic I think for thirty-five or forty years, an exceedingly able and charming man, discussing with me many years ago, long before I was Minister of Railways, the question of freight rates. He told me that no one but an expert could deal with them sensibly at all, and I believe he is correct. I have heard it argued to and fro very often

how impossible it is for the question to be dealt with except by experts, and even they differ, as we have often seen.

I mention this only to show the house how difficult it would be for it to deal with a question such as this. If we settled this particular question in this house, even after the most complete investigation and thorough debate, we would be inundated by demands from all sections of the country and from all sides of the house for changes in the freight rates structure without proper investigation to support the demands that were being made.

The hon. gentleman dealt with another aspect of this question, and I just wish to show how complicated that is. He gave the rates per mile, per one hundred pounds of grain, from Calgary and Edmonton to Vancouver, and the rates to Fort William, and then on to Montreal, Halifax and Saint John. I asked him to give me the rates from Edmonton and Calgary to Vancouver—they are the same though the mileage is different—and he gave me the rate as 20 cents per hundred pounds. I also asked him for the rate from the same points to Montreal and he gave me the rate of 53½ cents per hundred pounds. Then he argued from that, because of distances, that it was not fair to the western provinces. Surely however, as a matter of fact, a rate which is nearly three times as great eastward as it is westward cannot cause any serious injury to Vancouver, and certainly no one in the Calgary or Edmonton district would think of shipping grain eastward to Montreal during a season when he could ship it west for little more than one-third that rate. Then he made a comparison of rates from Edmonton and Calgary to Fort William and from Edmonton and Calgary westward to Vancouver. Even the rate to Vancouver has an advantage over the rate to Fort William, because the rate to Vancouver—I am speaking of the export rate—is 20 cents whereas the rate to Fort William is 26 cents. In other words, there is an advantage of 6 cents per hundred pounds westward. But when the grain gets to the head of the lakes, at Fort William or Port Arthur, it is still in the centre of the continent and has to be carried to seaboard before it can be shipped abroad; so that even if the rates were lower to Fort William the grain would have one thousand miles to travel before it could reach Montreal, or fourteen or fifteen hundred miles if it were shipped to the maritimes.

There is, therefore, no argument to support the view that grain would be diverted eastward rather than westward under these rates. At any rate, there is no comparison between an inland port such as Fort William or Port Arthur, or for that matter any of the eastern lake ports, and the port of Vancouver, for the reason that Vancouver is on the ocean; and while there is a long haul around the Panama canal, the rates are low and Vancouver is immediately on the ocean, whereas an inland port at the head of the lakes is subject to the disadvantage of the great distance which the shipment would have to take from that point, as I have indicated.

I would point out that if an attempt were made to carry out any of the proposals put forward in this bill it would upset the entire freight rate structure. Moreover, according to statements made to me by both railways, the adoption of the bill would result in a heavy loss of revenue to both systems.

My hon. friend claims that the export freight rate is considerably lower than the domestic freight rate to Vancouver on No. 1 Northern wheat, being 20 cents from Edmonton and Calgary, as compared with a domestic rate of 40 or 40½ cents—practically double. But we did obtain last year a special rate on feed grain from these points to British Columbia points, and I do not think my hon. friend mentioned this the other evening. But if you attempted to place the domestic rates for No. 1 northern or for the better grades of grain on the same basis as the export rates you would do considerable injury to the railways by taking away much of their revenue, and you would be ignoring the principle that export freight rates are always, or at any rate nearly always, in all countries, lower than domestic freight rates, for the reason that the export rate is only part of a through rate to some foreign country or some outside port, so that they have to make the rates as low as possible in order to compete in the world market.

Mr. LUCAS: What is the special rate granted on feed grain last year?

Mr. MANION: I regret that I cannot give my hon. friend that information offhand. Personally I had a good deal to do with having that rate put into effect. There was held in my office a meeting of representatives of the different provinces who were here for the interprovincial conference a year and a half ago and I had representatives of the railways present. I hope I may be pardoned for boasting a little in saying that I had to take a club to the railways to get them to consent to it, because I had been arguing for it for a considerable time. Finally, after discussing

the matter with the representatives of the provinces, both railways conceded the rate. Speaking from memory, I think it is nearly midway between the domestic and the export rate—an hon. gentleman near me says it is 30 cents, and I think that is right. That rate they conceded after a good deal of argument and it is still in effect. They may wish to eliminate it later, but so far as I am concerned I do not think they should. I do not know that much freight has moved in consequence of that lower rate, but at any rate it was put into force.

Another point I wish to make is this. The rates on Canadian grain are the lowest rates in the world. That is the claim made by both railways and, I think, quite justifiably. They contend that the rates on grain in Canada are lower, by and large, than the rates on grain in the United States or in any other country over similar distances.

May I add, in regard to the amendment of my hon. friend from Fraser Valley, that I am entirely in accord with what it proposes, inasmuch as the board of railway commissioners is the proper body, appointed in 1904, to deal with this question. That board has rendered excellent service ever since that time, and I submit that this house would be most unwise if it undertook to become involved in this question. I suggest that the proper course is to support the amendment which has been proposed by the hon. member for Fraser Valley, on the principle that the board of railway commissioners is the logical body to which a question of this sort should be referred.

Mr. THOMAS REID (New Westminster): I wish to make just a few observations in reply to some of the statements made in this debate, particularly by the Minister of Railways (Mr. Manion). First, may I say that I am indeed pleased with the spirit in which so far the debate has been carried on, and in this regard I refer especially to the speech delivered by the Minister of Railways this evening. The hon. gentleman has quoted from the report of the board of railway commissioners in the general freight rates investigation, and if there is one reason more than another why I cannot accept the amendment it is the very paragraph which he read. If you will note the last sentence—and these are the views of the board in 1927—you will see from this statement that after all data has been placed before them, average mileage operated, the gross ton miles, net ton mileage, freight train mileage, etc., all of which are to some degree interrelated, not one of them by itself leads to any absolute, certain and definite conclusion. All this information has been laid before the board of railway commissioners many times but no results have accrued from the appeals made, some of them I am sorry to say very expensive.

I cannot agree with the Minister of Railways when he says that the settling of this question would be the settling of commodity rates. I would not attempt to bring into this house the general freight rates question; it is too complicated, as I am perfectly well aware. But parliament in 1925 changed the commodity rates of the Crowsnest within the territory from Calgary to Fort William and substituted therefor the Crowsnest Pass rates on grain and grain products within the whole area between these two points, settling definitely the status of grain and grain products. That is exactly what we are asking for.

As I have stated, our appeal before the board of railway commissioners has not met with any degree of success; it has been turned down time and again and it is in view of that I have endeavoured, since I have entered parliament, to place the matter before it. In 1925 they did not set commodity rates; they set a rate only on grain and grain products going easterly from Calgary or Edmonton to Fort William, and we in British Columbia are asking for equal treatment. We are not asking parliament to set commodity rates. Commodity rates do not enter into the question at all, because, if parliament were to adopt the bill now before the house, the only thing affected would be grain and grain products. The matter of commodity rates and the general freight rates structure is not touched upon and I will agree with some hon. members that when we come to that, those complicated questions should be discussed before the board of railway commissioners.

I am sorry I cannot accept the amendment moved by the hon. member for Fraser Valley (Mr. Barber), because past experience has shown us that we can hope for very little before the railway board. As I have pointed out, the various commissioners who have sat in judgment have put it on record that the hands of British Columbia are tied, so to speak. They did not say so in so many words, but they said that the Crowsnest rate from Calgary to Fort William had no bearing on any appeal made by British Columbia as regards grain and grain products going west. The other evening I quoted the Minister of Trade and Commerce (Mr. Stevens) who took the attitude at that time that if parliament in its wisdom or otherwise had seen fit to

change the act and give to the east those old rates, we should also receive the same rates westward. On that occasion of course, he declared that he would rather see the whole matter go before the board of railway commissioners. But inasmuch as the bill fixing those grain rates did go through parliament in 1925, my appeal now—and it has been practically the same since I have entered parliament—is that parliament should put into the act what was left out in 1925.

When the hon. member for Fraser Valley spoke, I am sorry he interjected that little remark about the anxiety I had and the delay in introducing the bill since I came here this year. It is said that those who live in glass houses should not throw stones, and it is equally true that those who have done little themselves should not attempt to criticize the efforts of others. It was due to that remark of the hon. member that I took the pains to search the records, and I find that in 1926 he was silent in regard to railway rates. In 1927 he was silent; in 1928 he spoke a matter of 103 words on the budget, and in 1930 he had a small paragraph. I would not have mentioned this, but I think it was very unfair on his part to cast it up to me that I had delayed this year because I had not seen fit to introduce the bill a little earlier in the session. That has no bearing on the matter, and I endeavoured in the course of my speech to keep away from recriminations.

Mr. BARBER: I should like to correct the hon. gentleman. I was not silent. I went to the proper tribunal, the board of railway commissioners, on several occasions, where I thought I could get more action than I could in the House of Commons.

Mr. REID: The hon. member may say that he went before the board, but we have been going there for years because the appeal of British Columbia goes back, so far as I know, to at least 1921, and that province has been appealing before the board every year without results from then to 1930.

Mr. STEVENS: The matter started long before that. I started it myself in 1912, so it is quite historic.

Mr. REID: Yes, but except in 1925 no strong attitude was taken in the house in connection with it.

Mr. NEILL: I took it up repeatedly.

Mr. STEVENS: Oh, yes, there was. Before the hon. member for Comox-Alberni (Mr. Neill) entered parliament, the matter was before the house.

Mr. NEILL: And after.

Mr. REID: Now that the minister has entered into the argument, I wonder whether he would suggest to the government that they adopt the proposal he made in 1925. When the bill was before the house then, he said: "Abrogate the whole agreement". Would he now advise his government to abrogate the Crowsnest agreement as he suggested when he was arguing in 1925?

Mr. TURNBULL: It was abrogated long ago by the government the hon. member supports.

Mr. REID: That is another angle. It was not abrogated in the true sense of the word; ia was changed in 1925. It may have been abrogated by a decision of the board, but it was reinstated and the present legislation was put through the house in 1925. In that year the Minister of Trade and Commerce said that he was in favour of abrogating the whole thing. That is what he said then. Seeing that he has entered into the discussion, would he now advise the government to abrogate the Crowsnest agreement and leave the whole matter of grain and grain products to the board of railway commissioners?

Mr. STEVENS: May I interrupt my hon. friend? He seems to think he is making a statement that will embarrass me.

Mr. REID: Oh, no.

Mr. STEVENS: It does not in the slightest. The first speech I made in the House of Commons in 1911, I made on this question, and I advocated the same principle as that enunciated by my colleague to-night, that the question of railway rate fixing ought to be in the hands of the railway board.

Mr. REID: I think I am making a fair statement when I say that the minister gave it as his opinion in 1925 that seeing the Crowsnest pass agreement was being changed in that year and subsection 6 put into it, the hands of British Columbia were tied so far as going before the railway board was concerned. That is the stand the minister has taken. He stated it three times in his speech and I agree with that. If he was correct then, would he take the same stand now?

This move for equalization of rates is a fight on the part of British Columbia and we have tried to bring it where redress should be given—to the foot of the throne. It is not a freight rates investigation or of settling the whole question of freight rates on goods passing between the prairies and British Columbia. We are asking for just what parliament gave to the eastern provinces in

1925; it is an appeal for equality and equality only. As I was pointing out, the Minister of Trade and Commerce and I are in agreement regarding the fact that it is useless to go before the board of railway commissioners since the act was passed in 1925, although it was a Liberal administration that had it passed, I am agreeing with him in his opinion that it tied the hands of British Columbia and subsequent events have proved that to be the case. I think that is pretty clear.

There are in British Columbia and, I suppose, in Alberta and also Saskatchewan, large quantities of low grade grain, and as our foreign markets are getting less we are wondering to-day where we shall find markets for that grain. There is in British Columbia a market and there would be a greater one if that grain could be moved there at a reasonable cost, but when those who would purchase the farmers' low priced grain, or grain that is frozen, or feed grain, had to pay forty-one and a half cents per one hundred pounds in freight—I realize there is an agreement in effect for the year—when they had to pay the full domestic rate there was not a great deal of that grain moved. Production of poultry and eggs in British Columbia has gone down and down, and the situation is bad enough just now with the many hundreds of poultry plants not doing anything. One thing affecting them which helped to put them out of business was the fact that grain was costing far too much. Not that the farmer was getting to much for his grain; the freight rate was eating up too much of the total cost. British Columbia in 1928 was producing 27,000,000 dozen eggs, but for 1932, the latest report I have, the figure had dropped to 15,000,000 dozen. Not only that, but the consumption of eggs in Canada had also dropped. I quote these figures to show that there is a ready market in British Columbia for the low grade grains of the prairies and mill feed for dairymen, if only we could receive the same treatment as the eastern provinces have had and enjoyed for many years.

Might I refer to one remark of the Minister of Railways? He mentioned the mileage from Calgary to Fort William, and said that when grain reached Fort William it was practically in the centre of Canada; it had not reached the seaboard. While he was speaking I noted that from Calgary or Edmonton to Montreal, which is the port at the head of navigation, the distance is 2,239 miles, and grain is carried all that way for 53 cents per hundred pounds, while we in British Columbia were being charged 41½ cents for a distance of only 642 miles.

[Mr. Reid.]

Mr. MANION: But the rate eastward that my hon. friend is giving is the export rate. There is a domestic rate that is considerably higher.

Mr. REID: I am glad the minister drew that to my attention, because the domestic rate as far as Montreal is concerned is some three cents per hundred pounds. It is only a paper rate; there is practically no domestic grain movement to Montreal.

Mr. MANION: Most of it is carried by boat down the lakes, making a water competitive rate. Scarcely any grain is carried by rail to Montreal for export except a little in winter. Nearly all of it is carried in summer and by water.

Mr. REID: That may be true, but the fact remains that a rate exists between those points; 2,239 miles for 53 cents as against 41½ cents for 642 miles.

Mr. MANION: But as my hon. friend said, it is only a paper rate; it is not used.

Mr. REID: If you take the rate to Fort William, 26 cents, it is much cheaper than for grain going west; and to Fort William there is no domestic rate.

Mr. MANION: There is practically no domestic consumption at Fort William; there is only a comparatively small population. It is all for export, really.

Mr. REID: Well I am not going to detain the house any longer, I am sorry to say I cannot accept the amendment, because past experience has shown us in British Columbia that we can expect very little from the board of railway commissioners. As is well known, we have appealed time and time again to that board and every kind and manner of objection has been raised as to why the same rates that apply east on grain and grain products cannot be given to British Columbia.

Amendment (Mr. Barber) agreed to on division.

SUPPLY

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

DEPARTMENT OF THE INTERIOR

International Boundary Commission—

Expenses connected with the maintenance in a state of effective demarkation of the international boundary, $27,000.

Mr. LUCAS: Will the minister give some explanation as to the progress being made in this work?

Mr. MURPHY: The work that is carried on by the international boundary commission in Canada is in accordance with the treaties entered into with the United States on February 4, 1925. The work consists of maintenance, which means reclearing of the boundary vistas through timbered areas traversed by the line, the keeping in repair of boundary monuments and reference monuments that mark the course of the line, erecting range marks to range the boundary over wide areas of water in the interests of the fishing industry, or to facilitate the enforcement of customs and immigration laws, and erecting new monuments where necessary to mark the boundary crossings of new highways, locating, establishing and marking the boundary on international bridges and in international tunnels; and performing all other related duties, such as furnishing to the several departments and bureaus of the two governments information relative to the international boundary.

Mr. LUCAS: What has been the total cost to Canada up to the present time? And has the minister any idea when this work might be completed?

Mr. MURPHY: The total expenditure up to December 13, 1933, on the field work of maintenance of the international boundary by the Canadian section under the treaty of February 14, 1925, is $67,428.09.

In regard to the second part of my hon. friend's question I would say that I expect this work will go on from year to year as long as there is a boundary line between the two countries—in other words, it will never be finished.

Item agreed to.

Government of the Yukon Territory—
Salaries and expenses connected with the administration of the territory, including surveys, $42,000.
Grant to Yukon council for local purposes, the construction and maintenance of roads and such other expenditures as the commissioner is authorized to expend by and with the advice and consent of the council or any committee thereof; and its accounts with respect to such expenditure shall be subject to examination and audit by the auditor general as provided by section 22, chapter 215, revised statutes, 1927, $60,000—Total, $102,000.

Mr. TOTZKE: What is the nature of the surveys they carry on in the Northwest Territories at the present time?

Mr. MURPHY: Has my hon. friend reference to a survey in the Northwest Territories, or any survey in the Yukon?

Mr. TOTZKE: In the first portion of this item it says: "Administration of the territory, including surveys."

Mr. MURPHY: There is in the estimates an item of $1,080 which pays the salary of a surveyor in the Yukon, who does the necessary survey work in regard to mining claims and so on.

Item agreed to.

Dominion Lands, Parks, etc.—
Dominion lands, seed grain, mining lands and ordnance, admiralty and public lands, salaries and expenses, etc., $83,800.
Advancement of forest conservation; national inventory of forest resources; investigation of forest conditions and rates of growth, and development of scientific management methods; forest protection studies, technical and economic investigations of forest industries; the operation of field research stations, demonstration forests, and forest products laboratories; co-operative undertakings in forestry and forest products, etc., $241,300.
Grant to Canadian Forestry Association, $1,620.
Investigations of water and power resources and of international waterway problems, the dominion hydrometric survey and for the administration of the Dominion Water Power and Irrigation Acts, etc., $157,565.
Amount required to meet expenses of Lake of the Woods control board, $7,000.
To provide for the expenses connected with the national parks of Canada, historic sites, care of indigents in the parks, the appointment of stipendiary magistrates in the parks and the payment of their remuneration; also, to promote tourist travel in Canada, $1,041,399.
Administration of the Migratory Birds Convention Act, $31,900.
Cost of litigation and legal expenses, $4,000.
Amount to provide for expenses in connection with determination of location and boundaries of ordnance and admiralty lands in the province of British Columbia, $3,000.
To provide amounts required for expropriation of areas for right of way on the Savona—Port Moody section of the main line of the Canadian Pacific Railway, also on the Pembina and Stonewall branches of the same road, $1,000.
Amount required to cover the payment of retiring leave to officials other than those on civil government, $7,500.
Salaries of revenue staff, $15,822—Total. $1,595,906.

Mr. TOTZKE: I should like to ask the minister for some information in connection with the Migratory Birds Convention Act. Some years ago an agreement was entered into with the United States authorities in connection with the sand-hill crane, which formerly existed in large numbers in western Canada and did considerable damage to the grain crops. The information given the settlers in Saskatchewan was to the effect that while these birds were protected in

Canada, when they got back to the United States they were slaughtered by thousands. I have no way of knowing whether or not that report was true, but that was common talk in western Canada. I should like to know if the minister has any information in that regard.

Mr. MURPHY: I have no specific information on this particular phase of the matter, but I may say to my hon. friend that I have met some of the members of the United States biological survey, and they are as keenly interested as we are in this country in protecting the migratory birds. Under the act we are required, as they are, to protect birds which fall within the provisions of the act, and I know that two years ago the federal government of the United States put into effect regulations which drastically curtailed not only the length of the season but also the number of birds that could be killed in the different parts of the country. I do not think I have any information in regard to the sand-hill crane, but it is certain that this is one of the classes of birds protected under the treaty. I can only make the general statement that to the best of my knowledge the United States are endeavouring to the best of their ability to carry out the provisions of the treaty.

Mr. TOTZKE: When does the treaty expire, or for what length of time does the treaty remain in force?

Mr. MURPHY: I am informed, Mr. Chairman, that the treaty is for the period of one year and continues from year to year unless one year's notice is given by either party.

Mr. TOTZKE: Does the minister say the treaty was for one year originally? I understood it was for a period of ten years.

Mr. MURPHY: The hon. member is correct; in the first instance it was ten years in regard to certain species of birds.

Mr. TOTZKE: And then the treaty is renewed from year to year. If the treaty is to be renewed in the near future I suggest that the minister try to get some information as to whether the report is true that the birds are being slaughtered wholesale in certain sections of the United States while we in western Canada protect them. At times these birds come into the fields by hundreds and thousands, and it does not take them long to clean up a quarter section of grain. I have walked through a field where you could not find a kernel of grain left, just because of these birds.

[Mr. Totzke.]

Mr. MURPHY: Is my hon. friend speaking of the sand-hill crane?

Mr. TOTZKE: Yes.

Mr. VENIOT: Is the existing treaty still between Great Britain and the United States or is it between Canada and the United States?

Mr. MURPHY: The treaty was made in the first instance between the government of Great Britain and the United States.

Mr. VENIOT: Then following the ten year period the treaty will be taken up by Canada, I suppose?

Mr. MURPHY: Yes.

Mr. VENIOT: Does the minister know when the treaty expired? While he is looking up that information may I direct his attention to the fact that one reason for this treaty was to extend protection to mariners. That may seem odd, but still it was one of the reasons because of which this treaty was entered into. It is a well known fact to mariners that the gull often indicates a coming storm or a change in the weather, and for that reason the gull was included under the Migratory Birds Convention Act. The same statement applies to the wild goose, the brant, and so on. If we are protecting a bird under the present treaty because it goes from one country to the other, and it becomes a destructive bird in Canada, I should think if the government would take cognizance of what has been said by my hon. friend from Humboldt and lay the matter before the United States government it could be easily arranged to exclude that destructive bird from the classification of migratory birds. Of course, in making a treaty between Great Britain and the United States they considered the seafaring end of it almost entirely and did not think of this kind of bird as destructive on land. The gull, the brant, the wild goose and the duck are not very destructive, and if the United States could be convinced that the bird referred to is not a sea going bird but is a destructive bird on land, I do not think there would be any trouble. It is not like the similar bird we have in the maritime provinces, which is a sea going bird; this is a land bird, but it comes under the treaty. I think if the matter were properly placed before the government of the United States this bird could be excluded from the operation of this act.

Mr. MURPHY: I wish to amend an answer I gave to the hon. member for Humboldt a few moments ago in connection with the duration of the treaty. The clause dealing with that matter reads as follows:

It—

That is, the treaty—

—shall remain in force for fifteen years, and in the event of neither of the high contracting parties having given notification twelve months before the expiration of said period of fifteen years, of its intention of terminating its operation, the convention shall continue to remain in force for one year and so on from year to year.

Mr. TOTZKE: The fifteen year period has expired before this.

Mr. MURPHY: Yes; the treaty was entered into on August 16, 1916, and is now being continued from year to year.

Mr. CANTLEY: On a former occasion when the estimates of the minister were before the committee I expressed my views in regard to this matter. I agree fully with the statements of the hon. member for Humboldt. I believe the hon. member for Gloucester makes only one mistake when he refers to the land birds and sea going birds, because I understood him to say that in his opinion a large number of the birds which went north from the Northumberland strait and the other waters bordering the province of Nova Scotia and his native province, New Brunswick, returned the same way.

Mr. VENIOT: No, I did not say that.

Mr. CANTLEY: I must have been mistaken. The point I wish to make is this: Of, say, 1,000,000 birds which go north over the Atlantic coast or Northumberland strait not ten per cent come back that way. They come back through the prairies when the grain is ripe. They later go down through the United States, and finally reach Mexico. Not ten per cent of them come back the way they went up. They make a circular route, with the result that for years the Americans have enjoyed the advantage of this treaty; there is no doubt about that. Because of the fact that in recent seasons tens of thousands of those birds have been slaughtered, the eastern sportsmen of the United States are now taking steps in every way possible to prevent the people in the central and western parts of the United States from slaughtering the birds. They realize, as we do, that their people are getting ninety per cent of the advantage from the protection of these birds, and that in the past they have contributed nothing whatever towards their protection. It is high time that the treaty between the United States and Canada was revised.

Mr. VENIOT: Hear, hear.

Mr. CANTLEY: It should have been revised years ago. I hope the minister will realize the importance of the matter and see to it that we get a fair deal with our friends to the south which, up to the present date, we have not had.

Mr. MURPHY: Replying generally to the observations of the hon. member, may I say that the greatest known breeding ground for game birds, notably the wild duck, is in the southern portion of the Canadian prairie provinces. That fact has been established through observations extending over a period of years. While hon. members will realize that no definite or dogmatic statement can be made concerning the routes followed by birds in migration, nevertheless from the system of banding which has been adopted by certain governmental bodies and private individuals, and from a careful study of the banding practice, the flight of the birds can be ascertained with a reasonable degree of accuracy. If any hon. member will take the trouble to consult the charts which have been developed by the officers in charge of that work in the dominion parks branch he will observe that the birds which breed in western Canada follow many lines of travel when going to the south. Some of them go to the Atlantic coast; some go by way of Ontario; a number go directly down the Mississippi from the prairie provinces, and a few of them find their way to the states on the Pacific coast. The statement made by the hon. member (Mr. Cantley) to the effect that most of the birds going north from the Atlantic coast find their way back by way of the prairies is not in accordance with the studies which have been made by departmental officials.

Mr. CANTLEY: It is in accordance with the facts, which is of more importance.

Mr. MURPHY: Of course there might be differences of opinion as to what the facts are. However, I wish now to deal with the other phase of the question, namely that the treaty does not work fairly so far as the people of Canada are concerned. In other words the suggestion is that the inhabitants of the United States obtain greater benefit than we do from its operations. Let me present the other side of the picture. We will suppose that there was no treaty with our friends to

the south in connection with these migratory birds. The United States have a population of about 120,000,000 people, consequently there will be many more sportsmen or hunters in that country than there would be in the Dominion of Canada. From the study I have been able to give to the question, and from my personal knowledge extending over a period of about twenty years, in which I in common with other Canadians have enjoyed the sport of hunting wild fowl, I consider that the regulations which have been brought into being under the terms of the treaty are greatly to our advantage. If there were no treaty or no regulations these birds which to a great extent breed in Canada might be slaughtered indiscriminately by our friends to the south, and with the exception of a general protest we would have nothing to say in the matter. Again, from my personal contact with members of the biological board in the United States, from letters which I have received from members of different game conservation organizations in the United States, and from contact which officials of the department have with those same organizations, I would say that those who are truly interested in the conservation and preservation of the different species of game birds do not all live in the Dominion of Canada. The fact is, I believe, that all true conservationists living on either side of the border are doing their utmost to see that these birds are conserved for both countries.

Mr. HANSON (Skeena): I notice that there is a vote of $241,300 for the advancement of forest conservation. Could the minister tell the committee where the laboratories and various research stations are located?

Mr. MURPHY: One laboratory which carries on general laboratory work is located in the city of Ottawa; one dealing principally with the pulp and paper industry, is located in the city of Montreal, and one carrying on laboratory studies pertaining to the woods and lumber products of British Columbia is situated in the city of Vancouver.

Mr. VENIOT: I was going to suggest that we would do well to finish one item before jumping to another.

Mr. MURPHY: I agree with the hon. member for Gloucester. When I answered the hon. member for Skeena I was under the impression that we had completed the discussion we had conducted previously. If such is not the case I agree that we should dispose of one item at a time. I would point out to the hon. member, however, that the various subheadings are all listed under one item, namely item 182. I thought that the discussion on the migratory birds had concluded.

Mr. VENIOT: Not quite.

Mr. BOWMAN: Did I understand the minister to say that certain of these regulations were of particular benefit to Canada? I agree entirely, Mr. Chairman, with what has been said as to the feeling in Canada, particularly western Canada, as to migratory game birds and as to the treaty existing between Canada and the United States. In Manitoba, particularly in the northern part of the province, we have a great breeding ground for millions of ducks. In the last four or five years, during the dry years which took such a toll of game, the waterfowl which formerly used to breed in the southern part of Saskatchewan have gone to the northern part of the province and to northern Manitoba.

Here is the situation so far as we are concerned. Our hunting season opens in the fall, from September 15 or 20, as a general rule, varying as the local authorities deem advisable, and it extends to about the middle of October, sometimes towards the end of the month, depending how early the freezeup comes. In the part of the province from which I come the canvasback is the main bird that is shot by the hunter.

Mr. VENIOT: We have them down home too.

Mr. BOWMAN: Yes. The canvasback leaves for the south between the sixth and tenth of October, sometimes a little later, but the main flight takes place about that time. The consequence is that we have a hunting season extending from the fifteenth or twentieth of September to the sixth or tenth of October, about three weeks, so far as our main game bird in that part of the province is concerned. As soon as the bird starts south and gets across the line it runs into a hunting season which is two or three or four or five times as long as ours as it proceeds south, while in Manitoba we have a hunting season of only two or three weeks. The same applies to the northern part of Saskatchewan, as my hon. friend from Humboldt will agree. The season in the United States for this same bird is two or three or perhaps four months.

The mallard leaves later in the year after the freeze-up, and that gives us a little longer season. It does seem to me that if there are any advantages at all in this treaty they are not in favour of Canada. In our part of the province we are breeding these birds by the

million, and they go south to be shot during a hunting season which is two or three or four or five times as long as the season which we enjoy in Canada. The feeling among the hunters in the west is pretty strong that the treaty should be revised a little more in our favour than it operates at the present time.

The same applies to geese. There is very little, practically no shooting of geese in Manitoba. One is very fortunate indeed if he happens to bag a goose during the season, not perhaps in the northern part of Saskatchewan but in the northern part of Manitoba, where there are very few migratory geese. but in the eastern part of Manitoba close to Winnipeg there is a flight of millions north and south annually.

I make these few remarks, Mr. Chairman, because I have no hesitation in saying to the minister that there is a very strong feeling prevalent in the west that this treaty is not as favourable to Canada as it might be, and if there is to be a revision in the near future it is hoped that some of these matters will be borne in mind.

Mr. TOTZKE: When I started the discussion on this matter it was not with the idea of saying anything in connection with the sportsmen of the United States killing migratory game birds. A sportsman is a sportsman, as a rule, and not a slaughterer. My objection was rather in connection with the rumour which has been current with us in the last few years that it is not the real sportsman in the United States that slaughters these birds but people who are transgressing the common rules of sportsmanship as we understand it in this country. I was told a couple of years ago by a friend of mine who had come back from the southern states that a large flock of sand-hill cranes had dropped into a small slough or lake down there. They had been dropping in there every year always about the same time, and the men around the lake were on the lookout. On this occasion arrangements had been made beforehand to flood the lake at night with light, and when the birds arrived machine guns and shotguns were posted all around the lake and the birds were slaughtered literally by thousands. That is the sort of thing that should be investigated when the treaty is revised.

While I am on my feet I would ask the minister a question which probably may not come under this vote, although it is closely connected with the question of migratory game birds. It is with regard to the grant we have usually made to the Jack Miner bird sanctuary at Kingsville, Ontario. Is there a grant in the estimates for that purpose this year?

Mr. MURPHY: Mr. Chairman, the statement I know is frequently made that under the Migratory Birds treaty the United States has far more advantages than Canada. The hon. member for Dauphin stated that the length of the season in the United States was, in some instances, from three to four to five times as long as it is in Canada, but as a matter of fact the total length of the season in the United States in 1932 was three and a half months. When a conference was held between the officials of the United States and Canadian governments the officers of the United States wholeheartedly entered into the spirit of conservation and as a result the season in the United States was limited in that year to one month. I would further point out that after the treaty was entered into, no market hunting was allowed in the United States; no sale of slaughtered birds was allowed, and no spring shooting, practices which had prevailed before the passing of the treaty. There is scarcely any doubt in the mind of anyone who has studied this question that were this treaty not in effect there would be no open season and no hunting and no wild migratory game birds in either Canada or the United States.

The hon. member for Humboldt raised the question of the destruction of crops by certain birds. I would point out that under the terms of the treaty, permits are issued to shoot under certain conditions, thus preventing the damage referred to.

The item which my hon. friend asked about, namely the Jack Miner sanctuary, comes under miscellaneous, item 230, page 55.

Mr. STANLEY: A few weeks ago I spoke of the decrease that was taking place from year to year in the number of waterfowl in Canada. In spite of the treaty and of game regulations the fact is that during recent years the game have been decreasing to the extent of ten per cent per annum. I am advised by men who are closely in touch with the whole situation that probably the greatest single factor in the destruction of these waterfowl is the diminution in suitable water areas and breeding grounds. That is due probably not only to dry seasons but to the increasing cultivation, settlement and ploughing up of ground in the prairies—I am referring to that part of the country more particularly. As settlement extends, the breeding grounds diminish. The fact is that the breeding grounds are not all in Canada—and again I am speaking still of western Canada—but are international; so that when we come to consider the advisability of taking steps to preserve the wildfowl we must consider what can be done to preserve their breeding waters.

This will have to be on an international basis, and in my opinion the governments of the countries alone cannot do it; it must be done in cooperation with citizens and organizations who are particularly interested in this type of work .

I might also impress this thought upon hon. members, that the breeding grounds cannot maintain themselves; they can be maintained only by proper management, and unless there is an international arrangement between the governments, working in cooperation with voluntary sports organizations, taking over complete management of these breeding grounds, then only one result can be expected and that is the gradual but sure disappearance of our waterfowl.

In a booklet I have here which discusses the management of such breeding grounds, proper management is summarized under the following seven heads, which I think I might well read:

1. Maintenance of water levels, as directed by engineers.
2. Providing food and cover by caring for existing growths, introducing new varieties, preventing fires, eliminating grazing.
3. Preventing trespassing.
4. Controlling natural enemies where necessary.
5. Practising sanitation to check disease and epidemics.
6. Observing waterfowl and reporting concerning conditions, food, cover, etc.
7. Attempting artificial aids in propagation where feasible.

Right here I think perhaps I should refer to the death of thousands upon thousands of waterfowl in western Canada during the past season. In the district not very far from the city in which I live there are breeding grounds where waterfowl died literally by thousands. An investigation is now being made by some officials of the Department of the Interior and the Department of Agriculture to determine what may have been the particular source of the disease. I cannot give any information on that point, but I do wish to emphasize the fact that care must be taken of these breeding grounds, and it must be done with intelligence and systematically. Moreover, it must be controlled by authorities with power to deal with the situation on an international basis.

Mr. VENIOT: No doubt the minister or some of his officials have received reports of the lack of feeding grounds, in the last two or three years, along the Atlantic coast in the maritimes. It is a known fact that a disease of some kind has attacked the eel grass beds and other feeding grounds in the salt water with the result that thousands of wild geese and brant have died for want of food. I think I am safe in saying that in several parts of the maritimes, in Nova Scotia and New Brunswick certainly—I am not so sure about Prince Edward Island—private individuals as well as associations interested in bird life have contributed from their own private means to feed these birds, clear of the feeding grounds, inducing them to come almost into civilization in their backyards to be fed rather than to starve, because they cannot live on the feeding grounds, especially in the straits of Northumberland, in the bay of Fundy and in the bay of Chaleur. Has any investigation been made or any report received in this regard? If not, I would now appeal to the minister to have an investigation made and to see that some artificial means are adopted to care for these birds which frequent the salt water shores, so that our bird life may be protected.

Mr. MURPHY: I am not unacquainted with the problem which the hon. member for Gloucester has mentioned, because it has been brought to my attention in the last two years.

Mr. VENIOT: Especially in the last two years.

Mr. MURPHY: Owing to the lack of eel grass, which is the only food of the Canada goose and brant in those areas, vast numbers of these birds have perished along the shores of the Atlantic. I am informed by officials of the department that during these two years investigations have been carried on with a view to determining the cause of the destruction of eel grass, the natural food of water fowl, and it is believed to be due to a species of bacteria; but so far no definite authentic information is available with regard to this particular disease.

The hon. member says that certain private individuals and organizations have contributed from their own means to provide food for some of these birds. That I believe is true, but I would point out that while this may be done with wild geese it is not possible with brant, because it would be impossible to feed them on the land. It has been brought to my attention also by people in other parts of Canada, notably residents of Calgary, that they have maintained some birds in a sanctuary within the confines of that city by providing food for them.

Mr. VENIOT: The brant is a bird that feeds especially on fish; the wild goose feeds on eel grass.

Mr. MURPHY: The hon. gentleman agrees with me. I was saying that requests had been made to the department from various organ-

izations in Canada that they be assisted in the purchase of food for migratory birds. But may I say that so far neither the department nor myself has decided that we can adopt that principle. It would be a very serious step to take and one which I am not at the present time prepared to recommend. But I wish to point out to the hon. member for East Calgary that we are, along with himself and others who are interested in this question, fully aware of the situation in those breeding areas in western Canada where the majority of wildfowl, especially the duck, are brought into being. We have recently made arrangements for the appointment of Mr. J. Dewey Soper, one of the outstanding naturalists in the dominion, as a migratory bird warden whose duty will be in the three western provinces and who will be in a position to give informed opinion to the department as to the steps which should, in his view, be taken for the conservation of those birds.

Mr. MacNICOL: Is any work being carried on by the department along the line of that being done on the recommendation of the president's committee at Washington for wild life restoration? I might say that that committee recommended something along the lines mentioned by the hon. member for East Calgary. It recommended that the United States spend $25,000,000 on this type of work. Amongst other recommendations were:

Construction of dams and dykes.
Fencing and ditching.
Excavation and blasting.
Food planting and land clearing, etc.
The purchase of 5,000,000 acres of submarginal land suitable for development and management as upland game areas.

I notice that while the subject was under debate at Washington someone there was kind enough to refer to the great work being done by Jack Miner of Kingsville, Ontario. I was going to ask the minister—and he can tell me when he replies—whether any part of this item of $31,900 is used in assisting or supporting the work being done by the Miner Foundation at Kingsville, Ontario.

Mr. VENIOT: There is an item of $2,250.

Mr. MacNICOL: I know there is a vote under another heading, but it is so small and the work being done by Jack Miner is so great it is costing the Miner Foundation many thousands of dollars a year to carry on the work. Its work is really wonderful, in fact, so great that when the recommendations of the president were before congress, this item appeared in reference to what was said:

President Roosevelt's program for restoration of the wild life of the United States "will coordinate well with conservation life in Canada toward which Jack Miner's project has been a fine contribution."

I have visited that place on different occasions and many other members have been there. The work being carried on by the Miner Foundation is really something of which Canada may well be proud. On various occasions there have been as many as 2,000 cars there in a day and thousands and thousands of tourists visit it. On looking at this vote for bird wardens, I was wondering whether an amount was granted for the work carried on at Kingsville. Has anything been done along the lines of the recommendations at Washington in the way of setting apart submarginal land in different parts of Canada for the restoration of wild life? It might be well worth while for the department to look into the matter. I should be glad to hear from the minister whether anything is being done along that line, if so, where, and if any support is being given under this item to the work carried on under the Miner Foundation.

Mr. MURPHY: The amount voted is devoted principally to the payment of salaries of the administrative officers, the bird wardens in different parts of Canada and the sanctuary caretakers. During the past few years we have established many sanctuaries in Canada through the cooperation of private individuals and the various provincial governments and I am happy to say that in increasing numbers we are receiving requests from different parts of the dominion to establish sanctuaries. The department realizes that this is one of the best methods of conserving wild life in which we are all so much interested.

To give a specific reply to the hon. member who has just spoken, I may say that no portion of this vote is devoted to the purposes mentioned by him along the lines of those being carried on in the United States, with the exception of $750 which is given to Jack Miner in addition to the grant of $2,500 less ten per cent.

Mr. MacNICOL: Does the Miner Foundation get $750 in addition to the $2,250 which appears under another item?

Mr. MURPHY: It is paid to Mr. Miner himself as a migratory birds official.

Mr. TAYLOR: The discussion on this vote had been carried on very much on the Migratory Birds Convention Act. I would like to

get from the minister some information respecting an ordnance survey in Norfolk county known as the Turkey Point ordnance. How much land is included in that area? How many lots have been surveyed and leased? How many have been surveyed just recently and have any of those been leased? I would also like some information as to the cost of clearing away the underbrush on those that have been surveyed. I understand this was done as unemployment work in a provincial camp. I should like to know from the minister whether it was done under the ordnance vote or the relief grant to the province.

Mr. MURPHY: I have of course no objection to answering my hon. friend's question, but in deference to the opinion of the committee that we would deal with all these particular items one at a time, I shall defer my answer to him until the discussion on migratory birds is finished. If that is through, I am quite willing to answer my hon. friend's question.

Mr. CANTLEY: The discussion is not quite finished yet. I listened with a great deal of interest to what the hon. member for Dauphin said and with the great majority of what he said I am in close accord.

With regard to the remarks made by the hon. member for Calgary East about the drying out of the nesting places of geese, ducks and brant, there is no question about that. On the other hand, there is no doubt that the geese, ducks and brant are now going further north to breed than they formerly did. The duck will travel a hundred miles an hour; a thousand miles means only half a day for him. They are simply going further north and finding new places to breed. I do not think any great anxiety need be felt in regard to that phase of the situation.

The minister referred to steps being taken to feed the wild geese. I have appealed to him to contribute something to that, but he is stony-hearted; you cannot get a dollar from him for that purpose, and we have had to depend on private beneficence to save the wild geese in the eastern part of Canada. He suggested that wild geese feed on the land. They do not; we put the grain on the water and the goose takes out of the water, where he takes his natural food. He also referred to the cause of the destruction of eel grass. I am not at all certain of the cause, but I suggest that due to the earthquake of 1929 a very considerable area of the bottom of the Atlantic off the Grand Banks of Newfoundland was thrown up, so much so that out of eleven transatlantic cables all but one were put out

of action, and it was found that the upheaval of the bottom had extended over more than three hundred miles. Nine cables were destroyed to the extent of about two hundred miles each. The supposition is that that change in the ocean bottom diverted, temporarily at least, the currents coming from the south and brought some kind of bacteria that attacked the eel grass. Whether that was so or not, the fact is that the disappearance of the eel grass synchronized with that earthquake. I am happy to say, from observation made in Pictou county, last fall, that the eel grass is coming back slowly. It will probably be five years before it gets back to where it was prior to 1930, but it is hoped that that will occur.

The minister referred to precautions taken in the United States for the preservation of wildfowl, and I think he said that in some of the states wildfowl were not allowed to be sold. I came up from Cuba by way of Miami a few winters ago, and when we entered the bay there were millions of wildfowl—ducks, brant, geese. And sportsmen—or hunters, not sportsmen—were shooting them with swivel guns and punt guns and disposing of them in all the hotels in the south and also down in Cuba. That is going on still. We are not getting a fair deal as compared with the United States; there is no possible doubt of that. The minister may of course say what he pleases, but I know differently.

Mr. VENIOT: The protection is not the same at all.

Mr. CANTLEY: Not the same. No such effort is being made there as is being made in this country. The minister made the suggestion that I favoured the total abrogation of the treaty. I do not. I want a new and a fair treaty to serve Canada. Look at the situation in Pictou county, where we are not now allowed any spring shooting. But that is the shooting we want, the shooting we used to have; and it did not result in the destruction of any considerable number of geese. I want to tell the minister that the wild goose is pretty well able to take care of himself, particularly in the spring. It is the kind of hard healthy sport that our people enjoyed for generations, and now we are entirely deprived of it, most unfairly. The fall shooting is of no use to us because millions of geese that we send north never come back to us—we present them to the United States. What I want the minister to do is not to abrogate the treaty, but to make a new treaty that is fair to Canada.

Mr. STITT (Nelson): I have listened with a great deal of interest to the debate on the Migratory Birds Convention Act. I do not think it necessary to remind the house that I have in my constituency possibly the largest breeding ground for wildfowl in North America. We count our ducks and geese not in tens of thousands but in hundreds of thousands. I have been a migratory birds officer in that district more than ten years, and still have that honour—without pay. As a matter of fact it costs me a lot of money, because I spend a lot of money shooting hawks and crows every year, trying to protect the birds.

In regard to spring shooting, my own humble opinion is—and I speak as a practical man I think—that if this Migratory Birds Convention Act did not accomplish anything else it certainly stopped spring shooting and thereby resulted in great increase in the number of birds in our district. There is one point I would like to bring up, however, and that is that in my district, where the ducks are very numerous, I have noticed by study year after year that the crows kill about a hundred ducks for every one killed by sportsmen or guns. In the big breeding ground north of lake Winnipeg, in the willows along the river the crows hang out in thousands, and in going around the sloughs and the breeding grounds, which I visit nearly every fall, I was struck by the number of nests that had been robbed and the eggshells by the thousands scattered about. They take not only the eggs but the young birds until they are able to fly. I understand that in certain parts of the province a bounty is paid on crows, but of course that does not extend into the unorganized territory. I want to make a suggestion to the minister for what it is worth. Not all the birds breed in this great breeding area, because many millions go away up in the arctic, especially the geese. We have two or three Indian reserves there, and I wondered if the minister could see his way to provide some slight bonus to the Indians for killing crows. It would furnish useful employment for them in the summer when they have nothing else to do, and it certainly would increase the number of ducks more than any other measure that I know of. What the gunners kill in that country does not amount to anything, because the ducks and geese are there in millions, but if you could eliminate the crow menace it would do a great deal for the ducks especially. The goose can pretty well take care of himself; he is a fighter. But with ducks, the moment a crow swoops down they just beat it off the nest and swim away over the water with a wing sticking out as though it were broken to try to divert attention. I hope the minister will give this matter some consideration, and I trust that something will come of it. It is the best suggestion I can make, and I have made a very careful study of the whole situation.

Mr. BOWMAN: Did I understand the minister to say that in 1932 the open game season in the United States for waterfowl was one month?

Mr. MURPHY: Yes.

Mr. BOWMAN: For the whole of the United States?

Mr. MURPHY: Yes.

Mr. BOWMAN: From the north to the south?

Mr. MURPHY: The dates may have varied, but in any one zone the open season was for a period of one month.

Mr. BOWMAN: Well, that is the point. Starting in the northern part of the states perhaps the open season begins on the first of October, say in North Dakota; then go down to the next state and perhaps it starts the first of November, or the fifteenth, and you keep on going south until you get to Louisiana and you have what I said, three or four or five or six times the open season that we have in Canada.

Mr. CANTLEY: Down in Florida.

Mr. BOWMAN: Yes, all the way down. And as the hon. member for East Calgary (Mr. Stanley) says, many, many times the number to do the shooting. Our season in western Canada, according to the game law, is from the fifteenth of September to the first of December. It appears to be two and a half months, but as a matter of fact we have only three weeks shooting for the main bird which inhabits that part of the country. You have a little later shooting for the mallard, but the average date of freeze-up in Manitoba is November 7. As I say, it is quite clear that the advantage is all with the sportsman in the south.

The hon. member for Pictou mentioned a condition which he observed some short time ago. Two or three months ago I received a circular from some sporting organization in the United States drawing attention to a practice which is followed there of having private preserves where barley is scattered on the water. The ducks are brought there and fed for perhaps a week or ten days prior to the opening of the season, and when the season

opens it becomes nothing but a slaughter. We do not know just how much of this is true, but some of it must be true. We do know that the season is much longer in the United States and we do know that the great breeding grounds for these birds are in the northern part of Canada and up into the Arctic circle. I am simply trying to direct the attention of the minister to these facts so that when this treaty does come up for renewal we may be able to get more favourable treatment than we have had in the past.

Mr. VENIOT: For the sake of information I should like to ask the minister how the Migratory Birds Convention Act is administered in New Brunswick, whether it is under the mounted police or under the officials of the department, as it was before the mounted police were established in New Brunswick.

Mr. MURPHY: The police work is carried on by the mounted police.

Mr. McINTOSH: The minister mentioned the establishment of bird sanctuaries. Would he explain the steps necessary in the establishment of these sanctuaries, the cost, the distribution of the sanctuaries and the progress that has been made in western Canada?

Mr. MURPHY: If the lands are privately owned the department would act upon the application of the owner. If they were crown lands the department would act upon the application of the province. In practically every application for the establishment of a sanctuary we refer the matter to the province concerned and invariably, at least since I have been minister, they have agreed. With regard to the cost of establishing a sanctuary, there is no cost entailed except that a caretaker is sometimes appointed to see that the rights of the sanctuary are preserved. I cannot give my hon. friend any figures as to the progress that has been made or as to the number of sanctuaries that have been brought into being, but they do amount to a very considerable number. As a matter of fact I think I am correct in saying there are sanctuaries in practically all the provinces, with the possible exception of Prince Edward Island.

Mr. McINTOSH: Has the minister any statement to make with regard to the establishment of any of these sanctuaries in the northern part of Saskatchewan since the resources were taken over by the province in August of 1930?

[Mr. Bowman.]

Mr. MURPHY: All the sanctuaries that were established prior to the transfer of the resources were transferred with the other lands, and I understand that the province undertook to maintain those already established.

Mr. McINTOSH: The minister has nothing definite with regard to new sanctuaries that have been established?

Mr. MURPHY: I would be able to get the list and give it to my hon. friend; I do not have it with me to-night.

Mr. McINTOSH: I wish the minister would let me have that list, because I have in mind one or two very important locations suitable for sanctuaries, and I doubt whether any action has been taken. Prior to 1930 I did some work in connection with the establishment of a bird sanctuary about sixty miles north of North Battleford on Birch lake, and I do not think anything has been done since that time. The location is splendid, and something should have been done about it before this.

Mr. TAYLOR: If the discussion with regard to birds is finished I should like to secure some information with regard to the ordnance reserve at Turkey Point in Norfolk county.

Mr. MURPHY: During the past winter certain work was carried on at Turkey Point, which is ordnance land; the government of Ontario requested permission, shall I say, from the dominion government to carry on certain relief work in that area, and the necessary permission having been granted a number of men were given work there. We sent a surveyor to lay out the streets and lanes on which the work was to be done, and I am told that a good deal of work was carried out under that scheme. These lots have been made available for building sites, and I believe some applications have been made for these lots as a result of the work done under the relief scheme.

Mr. TAYLOR: I should like to ask the minister what has been the usual practice with regard to leasing lots in this survey.

Mr. MURPHY: The rental value of ordnance and other lands controlled by the department has been based on six per cent of the valuation of the property; that is our usual custom.

Mr. TAYLOR: And what has been the usual rent for lots in this survey?

Mr. MURPHY: I am sorry I cannot give my hon. friend that information.

Mr. TAYLOR: I should like to ask the minister if rental has been based on the frontage of the lots in this subdivision.

Mr. MURPHY: I do not think I can improve upon the answer I gave a moment ago. An officer of the department makes an inspection of the various properties and gives his valuation. We establish the rent on the basis of six per cent of that valuation.

Mr. TAYLOR: I have information from the department that on a fifty foot lot the rental is $10 per acre, plus 20 cents for each additional foot frontage. I should like to ask the minister if it has been the practice to give equal treatment to all lessees of these lots or whether there has been any discrimination in the rentals. I am speaking particularly of the lots facing what is known as Ordnance avenue.

Mr. MURPHY: I am afraid I cannot give the detailed information requested by the hon. member; I can only give the general practice followed by the department. To the best of my knowledge no discrimination is practised in the rental of ordnance or other properties administered by the department. I can but repeat what I said a moment ago, namely that these lands are all valued by an officer of the department, and on that valuation rental is based at the rate of six per cent.

Mr. TAYLOR: I thank the minister for that information, and should like to congratulate the department upon opening this new subdivision. Almost every lot has been taken along the lake front, and I am satisfied that the subdivision will be occupied very soon by people summering in that locality. I would ask the minister to consider very seriously that all be given the same privilege, and that preference be given to those who have had their applications in for some time.

Mr. MURPHY: I shall be very happy to make due note of the hon. member's representations.

Mr. HANSON (Skeena): A little while ago I asked for information about the advancement of forest conservation. The minister was kind enough to tell me that laboratories were established at Ottawa, Montreal and Vancouver. Are those all the laboratories we have in Canada?

Mr. MURPHY: Those are the only laboratories which carry on forestry investigational laboratory work. There are many other laboratories which carry on different operations, some in the Department of Agriculture and others in the Department of Mines. Then, of course, there is the national research council located here in Ottawa which carries on investigations into practically every phase of industrial activity, with the exception of the special work done by the laboratories I have mentioned.

Mr. HANSON (Skeena): Do research stations come under the same heading?

Mr. MURPHY: When we refer to research stations we have in mind research work carried on in the field in various areas. For instance, there is one at the Petawawa military reserve, one at Valcartier in Quebec and another one in New Brunswick in which investigatory work in the field is carried on in connection with the woods indigenous to that section of Canada. There is one in the Duck mountain area of Manitoba in which experimental work is carried on for the woods indigenous to the three prairie provinces, and we are endeavouring to establish one in British Columbia. That has not been brought into being, although we have officers who carry on these works on both privately and provincially owned lands.

Mr. HANSON (Skeena): How many men are connected with the research work in British Columbia, and how many are field men? I presume they are cooperating with the provincial forestry department?

Mr. MURPHY: Yes, they are. The personnel in the forestry laboratory in British Columbia consists of twelve officials, namely, R. M. Brown, R. S. Perry, E. Parr, Miss M. M. Harris, J. H. Jenkins, H. W. Eades, F. W. Guernsey, J. B. Alexander, J. T. Lee, D. S. Wright, W. W. Davidson, R. J. Eades. In addition to these people we have a mechanical staff. In that staff are H. Chapman and A. White.

Mr. HANSON (Skeena): What steps have to be taken to have a research station established? Does the application have to go to the provincial forestry department or to the federal department?

Mr. MURPHY: If a research station is to be established under our administration the application should be sent to Ottawa. As I said a moment ago, in cooperation with the province of British Columbia we are endeavouring to establish one of these research stations, but to date we have not secured a suitable area.

Mr. LUCHKOVICH: I notice an item of $1,041,399 for parks. How much of this money is allocated to such parks as Jasper and Banff in Alberta, and how much is allocated to the smaller parks in that province? Personally I am of the opinion that less and less people are finding themselves able to visit the large parks I have named, but they are in a position to visit the smaller parks in their immediate neighbourhoods. Further, I should like to know what projects, if any, have been authorized in those smaller parks.

Mr. MURPHY: The allocations by parks for the year 1934-35 are as follows:

Banff park	$246,500
Buffalo park	57,053
Elk Island park	19,000
Fort Anne park	2,962
Georgian Bay island parks	5,261
Glacier park	7,470
Jasper park	156,200
Kootenay park	61,800
Mount Revelstoke park	10,000
Nemiskam park	1,841
Point Pelee park	8,150
Prince Albert park	48,500
Riding Mountain park	62,500
St. Lawrence island parks	3,125
Wawaskesy park	280
Waterton lakes park	57,700
Yoho park	68,000

Mr. LUCHKOVICH: What projects has the department at the present time in connection with those smaller parks? Let us take Elk island park, for instance.

Mr. MURPHY: Elk Island park is not considered a recreational park. In the first instance it was established as an animal park, and while in these later years an increasing number of people are using it as a recreational area the parks department have not carried on recreational development to the extent that that work has been carried on in parks such as Banff, Jasper, Waterton Lakes, Prince Albert and Riding Mountain, although various facilities have been provided for people who use the park as a recreational area. There are facilities for boating and swimming, picnic grounds and things of that nature. But speaking generally we have not carried on recreational developments within the boundaries of that park.

Mr. LUCHKOVICH: I understand that some of the smaller parks are having a little trouble with their beaches and their water. The trouble, I understand, is that the water is infested with beetles and other insects. Does the government do anything to clear these lakes of insects?

Mr. MURPHY: Can the hon. gentleman name any particular park so that I can give him a specific answer?

[Mr. Murphy.]

Mr. LUCHKOVICH: The water at Elk island beach is not fit for bathing, I understand, although a doctor in the community has told me that it is just as fit as in any of the larger parks in Alberta. I was wondering what the situation was and whether the government did anything to clear these waters of insects.

Mr. MURPHY: No complaints have been made to the department in regard to that particular park, and no efforts consequently have been made in that direction. I can state, however, that the bathing facilities in Elk island park are used to a very great extent. In fact, bathing is one of the principal forms of enjoyment at that park. To the best of my knowledge no complaints have reached the department.

Mr. REID: Has the minister particulars regarding the seed extracting plant at the port of New Westminster? I am interested in knowing the amount of seed that it extracted, the countries to which the seed is sent, the revenue derived, and the amount of seed used in British Columbia and Canada.

Mr. MURPHY: The total seed collected at the end of 1932 amounted to 44,817 pounds, of which the British Forestry Commission received 26,374 pounds; New Zealand 17,183; Australia 677; Irish Free State 52 and northern Ireland 61 pounds. A very small surplus above the requirements of the empire authorities was disposed of to dealers in Canada, Spain, Belgium, Finland, Denmark, and other countries, but these latter amounts have only been about one per cent of the total. With regard to the cost of the operations, it is all done on a prepayment basis. The various governments concerned furnish Canada in advance with the amount of money required and we expend it in the extraction of the seed.

Mr. REID: It would seem then that the whole product goes to other countries and that very little is used in Canada, so that we are really running the seed extracting plant for the countries of the empire. The total given by the minister was 44,817 pounds extracted for 1932. Has the minister the revenue and expenditure at the plant, showing what it has cost the country?

Mr. MURPHY: As I stated it is done on a prepayment basis which covers the total expenditure. It is not costing Canada anything in dollars and cents.

Mr. REID: I see an item of $3,000 to provide for expenses in connection with the determination of the location and boundaries of ordnance and admiralty lands in British Columbia. Where are these lands located?

Mr. MURPHY: Section 8 of the agreement of the 20th February, 1930, between the dominion and the province of British Columbia on the transfer of the railway belt and Peace River block, provides for the appointment of two persons, one by the governor general in council and one by the lieutenant governor in council, to determine the location and boundaries of the several parcels of ordnance and admiralty lands within and without the railway belt. This vote is to provide for the necessary expenses of the dominion in connection with the survey of these lands.

Mr. REID: Who were the two persons appointed?

Mr. MURPHY: The appointments have not been made.

Mr. REID: Would the minister give details of the item of $1,000 for the Port Moody section of the main line of the Canadian Pacific Railway, also on the Pembina and Stonewall branches of the same road?

Mr. MURPHY: In connection with those portions of the Canadian Pacific railway which were constructed by the dominion government and turned over to the railway company, it is provided in the contract between the dominion and the company that, where necessary, the dominion government will acquire the right of way. Before this department had advice as to what lands were affected by the right of way, patents for some of the areas were issued which contained no reservation of the lands required for the railway. The unsettled cases are not numerous and the areas are small, but in addition to purchasing the land, funds must be provided for legal work connected with the transfer of title. The Department of Justice has advised that it is the duty of the dominion government to procure title for the railway in all these cases.

Mr. LUCHKOVICH: Are the relief camps situated in the national parks in Jasper and Banff only, or are they also in the smaller parks?

Mr. MURPHY: Relief camps have been established in Elk island park, at Jasper, Banff, the Big Bend highway, Waterton lakes, Prince Albert, and Riding Mountain park.

Mr. HEAPS: How many of the unemployed are employed at these relief camps?

Mr. MURPHY: The number of men in the relief camps as of April 14, 1934, was 2,054, but at the peak of the season it was in the neighbourhood of 3,800.

Mr. HEAPS: How are these men employed?

Mr. MURPHY: They are employed on a sustenance basis; they are given their food and shelter and a sufficient amount of clothing to enable them to live in comfort and carry on their work. They are also given an allowance of twenty cents per day for the purpose of providing themselves with toilet articles such as toothbrushes, towels and soap, also tobacco.

Mr. HEAPS: Would it not be a good idea to have the committee of this house which is investigating low wages have referred to them the wages paid to these men in the camps?

Mr. MURPHY: These men are not paid wages; they are carried purely on a sustenance basis. They are given their food and the necessary clothing and fuel and shelter, and, as I have already explained, receive twenty cents a day, which is not given as a wage at all, but is given so that they can provide themselves with articles which otherwise would be given out on an issuance basis. May I repeat that wages are not paid to these men, nor has it ever been considered that they were employed on a wage basis.

Mr. HEAPS: Are they not performing some service for the government?

Mr. MURPHY: If the hon. member means, are they required to perform work in return for their sustenance, the answer is yes.

Mr. HEAPS: Are not the men in these camps working eight hours a day?

Mr. MURPHY: On days when it is suitable for the men to work they work eight hours a day.

Mr. HEAPS: And on days when the weather is bad do they receive the twenty cents a day?

Mr. MURPHY: If the men do not work owing to inclement weather they receive the usual sustenance and twenty cents a day.

Mr. GERSHAW: I know that the minister is anxious to preserve the beauty of the national parks and not have them destroyed for commercial purposes. I understand, however, that some of the glass plants import silica sand and material of that kind from long distances, and this particular sand is found in the parks. What is the policy of the government in this regard? Could any arrangement be made to have that material taken from the parks, or would that be contrary to policy?

Mr. MURPHY: The policy of the government is determined by the National Parks Act, which expressly prohibits the carrying on of any commercial enterprise within the boundaries of any national park, and permission to remove sand or to carry on any industrial activity in any of the parks could not be granted unless the act itself were changed.

Mr. TOTZKE: I notice in the item with reference to national parks a decrease of $71,000. How was this saving effected? What work is projected in the Prince Albert national park for the coming summer, and to what extent have the works which were undertaken when the park was established been completed up to the present time?

Mr. MURPHY: The reduction is explained by the fact that we are spending less money in practically every one of our parks than we were last year. I do not think it would serve any useful purpose for me to weary the committee reading all the various items, but the savings have been effected by economies in expenditure under the different items.

Mr. TOTZKE: Is that a reduction in the projects themselves?

Mr. MURPHY: In some instances there are fewer employees and in others there is not as much work being done. In regard to the Prince Albert park, in which the hon. member is particularly interested, under the heading of development the following items appear: On streets and sidewalks, $500; roads and bridges, $5,500; camp grounds, gateways and information bureaus, $2,952.15; stables, $2,522; garages, $1,620; warehouses, $655.20; sports facilities, $2,600.

Mr. TOTZKE: Is there any detailed information with regard to sports facilities?

Mr. MURPHY: Under the heading of sports facilities the details are: Completion of the playground, $500; completion of two tennis courts, $100; completion of nine hole golf course, $2,000.

Item agreed to.

Interior—
Salaries, $510,732; contingencies, $20,000.

Mr. VENIOT: The government having declared their policy on the cut in salaries, will this item stand as it is now or will provision be made in a bill?

Mr. RHODES: The bill is already before the house.

Item agreed to.

[Mr. Gershaw.]

To provide for expenses connected with the administration of Indian affairs, including salaries, supplies, relief, medical attendance, hospitalization, dwellings, agricultural activities, surveys, roads, bridges, irrigation, dyking, education, etc., and a grant of $100,000 approved by parliament in session of 1926-27, $3,939,500.

Mr. SMOKE: I do not often take up the time of the house discussing matters that come before it, but I have on two or three occasions in the past dealt in a very casual way with the situation that exists on the Six Nations reserve in Ontario. In order to introduce the subject I may have to go into what, so far as this continent at any rate is concerned, is ancient history. The antiquarian is an anomaly in Canada; people are not interested. At the risk of being considered a bore I desire to recall some of our earlier history. Some of it may be tradition, but not all. There are some records which are indisputable.

I am not as young as I used to be, I remember well an incident which occurred during the Fenian raid in 1866. There are probably few in the house who can recall that raid; with the exception of our dear old friend the senior member for Halifax (Mr. Black), whose absence from this chamber during the session we all regret, and our beloved friend the hon. member for Mount Royal (Mr. White), I doubt whether there is another hon. member whose memory will serve to recall any of the incidents of the raid. My memory of it, while fragmentary, is distinct so far as it goes. I remember my father and mother returning from town one day in their democrat wagon and telling us on their arrival home that the Fenians were over. I could take hon. members to within twenty feet of the very spot where I stood at the time. In saying that my youthfulness has gone, I am reminded of a saying which few in the house will remember but which I think was attributed to the late Sir John A Macdonald by either the Toronto Globe or our old friend the late J. W. Bengough. When Sir John made the remark that his youthfulness was gone, I believe that paper put it that his "usefulness" was gone. That may be so in my case.

I like, however, to reflect on those early days. My early reading of British and Canadian history brings back to my mind the pride which we felt in our treatment of the Indians as compared with that which they received in the United States. But let us reflect and see whether that pride can be justified and whether we have done all we could or should have done in justice to the Indians. I hope the Minister of the Interior,

who is Superintendent General of Indian Affairs, will take up with the Prime Minister and the other members of the council the matter to which I am going to refer. I trust, if he does not, the Minister of Finance and the Minister of Public Works, who are both at present in their seats, will prod him along and see that he does it, because it is a very serious matter so far as our Canadian Indians are concerned.

Before 1492, when Columbus discovered America, the Indians were in sole possession of the continent. Whether the actual fact of possession meant ownership or not, Europe had no claim to ownership by what it was pleased to call the right of discovery, since the Indians were in possession. The European, however, claimed and used force to secure their claim, and, on the threat of force, not at all times by any means confined to threats, the Indians were induced to relinquish parts of America, their ancestral possessions, to Europe. In my office at home I have a photostatic copy of what purports to be a copy of an old deed, dated 1702 or thereabouts, some time during the first decade of the century, in the reign of Queen Anne. I am sorry I have not the document here to read, but I should be glad to furnish a copy of it to anyone who is sufficiently interested. It purports to be a deed from the Six Nations, or Iroquois, to Queen Anne, of a tract of land about 400 miles wide, and 600 or 800 miles long, which included, as far as I could make out the deed, the whole of the Niagara peninsula in Ontario and, in fact, all of old Ontario south of Georgian bay and most of what is now the state of Michigan. I do not recall what consideration is mentioned in the deed, but my recollection, so far as it goes, is that it was a pure gift to Queen Anne at that time because of the protection which she had given to the Six Nations Indians. This document appears to be the first link in the chain of title to that portion of our country.

During the revolutionary war in the United States, the Six Nations were allies of the British crown and fought side by side with the British armies against the armies of Washington, and, after the treaty of peace the Indians, like the Loyalists of British descent in New York state, lost their lands which were confiscated by the United States government. As compensation for such loss and in gratitude to the Indians for their great assistance in the revolutionary war, Governor Haldimand, acting on behalf of the British government, granted to the Six Nations a tract of land six miles wide on either side of the Grand river from its mouth to its source. This stretch of land twelve miles wide extended from lake Erie nearly up to Georgian bay in what is now the county of Grey. The Indians accordingly migrated from New York state to that portion of Canada. I have no record of the numbers of Indians who took part in this migration. Their descendants number now, however, probably 5,000 souls and are confined to the township of Tuscarora in the county of Brant and the township of Oneida in the county of Haldimand. It might be asked: why are they confined to this small extent of territory? The answer is not difficult to give. The house should be reminded that the Six Nations Indians were the most civilized, according to our way of using that term, of all the bands of Indians on the American continent with, perhaps, the exception of Mexico, and they had taken to agriculture to some extent. Upon migrating to Canada this band of Indians took up agriculture to a much greater extent than they had done before. They had, while in New York state, been engaged very considerably in agriculture but had derived their living to a considerable extent through the chase and fishing. When they came to Canada they engaged in agriculture to a greater extent than before, and as the years went by were becoming less dependent on the practice of the chase and fishing.

This development among the Six Nations meant that they could not effectively and usefully occupy in agricultural pursuits all of the land in Canada granted to them by what is called the Haldimand treaty and they therefore negotiated from time to time sales of extensive tracts of their newly acquired territory. As patents, however, had never been given for the twelve mile stretch of land, the only way by which purchasers could be sure of the freehold of such land was by the Indians surrendering those tracts to the crown and requesting the crown to give patents to the purchasers. This was done. The purchase money was paid, not to the Indians but to the government then carrying on in Canada, and in the early days a very large sum of money was paid to the government as consideration for the respective blocks of land sold from time to time by the Indians, amounting in the aggregate, I have been told, to something in the neighbourhood of $1,000,000. Those moneys, which were paid to the government because the Indians were looked upon as wards of the government and not able to look after their own financial affairs, were to be invested and the interest received therefrom paid to the Indians to be applied to their maintenance from time to time.

Unfortunately, however, there were in those days, as there are to-day, promoters, and one

of the cleverest—and I am not saying that in a disparaging way—was a Mr. William Hamilton Merritt who conceived the idea of building a canal around the falls of Niagara—it developed later into what is known as the Welland canal—connecting the waters of lakes Erie and Ontario so that boats could pass to and fro. Mr. Merritt got a charter to build this canal. As a feeder for the canal, instead of taking the water directly from lake Erie, Mr. Merritt conceived the idea of tapping the waters of the Grand river some miles above its mouth so as to get sufficient waterfall to feed the canal, and he got a charter in the name of the Grand River Navigation Company. The building of the works of that company involved the acquisition of Indian rights from a point on the Grand river extending easterly to the eastern limit of their lands as given to them by the Haldimand treaty, and certain of the lands were taken, but without any compensation being paid therefor. Not satisfied with taking their lands without compensation, and money being very hard to get in those days, the happy idea struck Mr. Merritt of getting hold of some of the Indian moneys lying on deposit with the government as a result of the sales to which I have referred. The Hon. John Dunn was then receiver general of Canada, and it is said he was, if not president, one of the large shareholders in both the Welland canal and the Grand River Navigation Company. Therefore it became very convenient for Mr. Merritt to have a friend at court. Consequently a large sum of money was paid out of the funds of the Indians to the Grand River Navigation Company, and in lieu thereof the Indians were given stock in that company, a company which was never a financial success and out of which not one dollar was ever paid back to the shareholders. When I say this is a breach of trust I am sure my statement will not be disputed by any member of the committee, and I am sure it will not be by the finance minister, who is a good lawyer. I have not been able to look up the records to see when the kind of investments now required of trustees were defined by statute. It has been suggested that no such statute existed at the time these moneys were so applied. Whether that is so I know not, but even if not, the very fact that a subsequent legislature enacted laws restricting the character of investments that may be made of trust funds goes to show that what may have been considered proper investments a hundred years ago were really not proper investments; and even if in strict law there is no responsiblity upon the government, the rules of equity should override such strict construction, more particularly when, as I have said, the Indians were wards of the government and recognized as not being competent to manage their own affairs.

[Mr. Smoke.]

In order that we may have on record the figures in actual dollars of the loss to the Six Nation Indians by reason of the payment of this money out of the Indian funds, I give the following statement. While it may not be strictly accurate it is at least approximately correct. The transactions occurred when the currency of Canada was pounds, shillings and pence, but I give the corresponding figures in dollars:

Cash paid on stock in Grand River Navigation Company out of funds of Indians, $160,000.

Value in 1932 of 368.7 acres of land granted to the company without consideration at $40 per acre, $14,748.

Value of other lands granted company in 1832 without consideration, 182.1 acres at $10 per acre, $1,821.

Lands permanently flooded by works of Welland canal amounting in 1837 to 1,826.8 acres at $20 per acre, $36,536.

Interest on these various sums at 4 per cent per annum, not compounded, $833,252.20—Total, $1,046,357.20.

The Six Nations are sometimes said to be a difficult people. I may be accused of being one who is seeking to make them more discontented. Surely the present Minister of the Interior, who as such is Superintendent General of Indian Affairs, and who, as I know, has devoted a great deal of his time to a careful study of this feature of Indian history and has familiarized himself with it, will not accuse me of seeking to stir up dissatisfaction. I know too that the Prime Minister, whose wide reading may possibly not have extended to this special part of the history of the Six Nations, will give this matter some consideration and do what can be done now to remedy a very great wrong. If this shall be the last appeal I shall ever make in this house, let it be said at least to my credit that my last words were an effort to redress a grievous moral wrong done to the Indians who were too weak to protect themselves.

The answer has frequently been given to me and to the Six Nations Indians that they have been recompensed for this money taken from them by the public works that have been done on their reserve. The government have been very kind; they built a splendid hospital, they built a school, they built roads; but that was done for other Indians also, and the Six Nations band should not be charged with this as against the money that has been misappropriated. Appeal after appeal has been made to successive governments in this

matter, but in vain. It is, however, never too late, and I trust this parliament will settle the question once and for all. Justice demands it, and until justice is done an injustice remains unremedied. A wrong is a wrong until righted. The longer it takes to right the wrong, the greater the wrong.

The plea has been made—I have heard it made—that the present government of Canada is not responsible for what was done by a government which existed before the days of what is called responsible government. I cannot agree with that plea. Whether the government that did the wrong was what is known as a responsible government or not, it was the actual government of the day, government de jure and de facto, and the present government cannot and will not hide itself behind any such plea. Or shall we say that the administration of real justice is a lost art? Previous governments have turned a deaf ear to the pleas of the Six Nations to correct this wrong. Let us return to the practice of our ancestors, now almost obsolete, of insisting on the righting of grievances before granting supply. I appeal to the government to go to the limit in undoing the wrong done to the Six Nations over one hundred years ago, and reestablish in the minds of our Indian wards the belief that justice is still the keystone of our national life.

Mr. VENIOT: I would like the minister to explain what constitutes an Indian reserve and entitles the inhabitants to elect a chief. The reason I ask is that there is a reservation in the county of Gloucester, known, I think as the Gloucester county reservation, or by some other local name. The one who is recognized as chief of that reservation has had me write to the department several times claiming that he is the lawfully elected chief, and word comes back that that reservation is not entitled to a chief. I would like to know what the regulations are.

Mr. MURPHY: I feel certain that I express the sentiments of the committee in saying that the hon. member for Brant (Mr. Smoke) has done himself great credit in putting before the committee the facts regarding the Six Nations Indians and their funds which were utilized over one hundred years ago in promoting the fortunes of the Grand River Navigation Company. I am not in a position to-night to enter into any argument, even if I considered myself competent to do so, upon this question which has now been agitating the minds of the Indians for over one hundred years. It will be noted that these moneys were, shall we say, taken from the Indians, or to put it in another way the funds of the Indians were used by a government which was not a federal government. These moneys were invested, if my memory serves me correctly, by trustees who had been appointed by consent of the Indians for the administration of the fund. They, very unwisely as it now turns out, invested the funds in the Grand River Navigation Company, with the result that on the failure of the company the moneys were completely lost. Since then the Indians from time to time, both by representations made by themselves and through briefs put forward by legal gentlemen, have endeavoured to obtain the return of the funds which were so invested by the trustees in years gone by. They first made their appeal to the imperial authorities, as it was considered that the representative of the crown in the dominion had under his own particular control the welfare of the Indians. The imperial authorities did not see fit to recognize the claim, and then the dominion government were asked to reimburse the Indians for the moneys lost. The question was submitted to the Department of Justice, and in an opinion handed down by the then deputy Minister of Justice, Mr. Newcombe, he gave it as his opinion that the dominion government was not liable for these funds.

The hon. member for Brant, who has just spoken, has appealed to this parliament and said that in equity, if not in law, since these Indians are considered wards of the country the dominion government should reimburse them for the funds which were lost through the bad judgment, shall we say, of the trustees and those administering the province of Upper Canada in those days. This is a question, Mr. Chairman, which has given me a very great deal of thought. I am charged with the administration of the Department of Indian Affairs; these Indians are considered by practically everyone in Canada to be wards of the government, and we are the trustees of their estate and their funds. I think any man who has occupied the position of Superintendent General of Indian Affairs must be seized with his responsibility under those conditions. It is true, as the hon. member for Brant has stated, that on receiving the opinion from Mr. Newcombe to which I have just referred the department endeavoured, by way of works carried on in the reserve of the Six Nations and by the construction of the Lady Willingdon hospital, to liquidate the debt, if I may call it that. The hon. member for Brant to-night claims, as the Six Nations themselves claim, that this did not constitute a quid pro quo, that we carried

on similar works in other Indian reserves in Canada for the benefit of the Indians, and that they still want the return of their money. But may I say that the construction of this hospital and these other works were carried on for that express purpose. I would point out also that in some cases, and notably the Blackfoot reserve in southern Alberta, the reserve is practically self supporting. They carry on their own affairs and their expenses are paid from the funds of the band. In general I may say that this is the policy of the department; we endeavour to lead them in the direction of becoming self supporting.

I do not intend to extend my remarks in regard to this question at this time, Mr. Chairman, but I am very grateful to the hon. member for Brant for having placed the matter so clearly before the committee. I wish to assure him that so far as I am concerned, within the limits imposed upon me I shall endeavour to see that justice is done.

Mr. MOTHERWELL: Does this vote cover capital expenditure for buildings?

Mr. MURPHY: Yes, it covers all expenditures.

Mr. MOTHERWELL: I was wondering what were the chances this year of rebuilding the Indian school at Le Bret, which was burned some time ago. I believe there is some likelihood of a building program being initiated in the near future, and I do not know any better way to spend some of that money than in the construction of this school that is badly needed at that point. Le Bret is on the boundary between Melville and Qu'Appelle ridings, and my hon. friend knows the urgency of this matter. This was one of the early industrial schools; it was established away back in territorial days, and Le Bret is a very old and important settlement as well.

My hon. friend will not mind if I mention the none too good sanitary conditions that prevailed in the temporary quarters that were provided last year, though since that time substantial improvement has been made in the temporary quarters, for which I wish to express my appreciation. Even with these improved conditions, however, the minister knows quite well that the housing situation is not at all satisfactory. There is no doubt that this school will be rebuilt some time soon, and this coming summer would seem to be the appropriate time, if I might presume to make the suggestion. This is in a very public location; a railway runs right past the door, and this is one of the beauty spots of the Qu'Appelle valley. In addition to these reasons we must consider the interests of the Indians, who are wards of the government and for whom the government as the guardian should provide proper quarters. It is true that the men were provided with excellent even palatial, quarters right at the outset after the fire in a seminary across the lake. The men always seem to be provided for first, among Indians as well as among white people. Everything was lovely so far as the men were concerned, but the girls were jammed like sardines into a frame building that was used formerly as a town hall.

I was a member of a government for many years and I know there is always the limitation of money. You cannot spend what you do not get, and these are desperately trying times, but really I do not think those conditions, even with the improvement made last fall, should continue much longer, for the sake of the reputation of Canada. Since these Indians are the worthy wards of the country, as their host and guardian we should recognize the trust that has been imposed upon us and carry it out to the fullest extent possible consistent with the finances of the country. There does appear to be a little bit of improvement in our finances and outlook; I am willing to concede that and to express congratulations to all because of it. Times are a little better and they are going to improve even more I hope; the worst would seem to be over. Undoubtedly the process of recovery will be slow, but these are interesting human beings placed in our care, and surely the government has a very strong obligation to take care of these wards and particularly the female members when the males are already so well looked after. The minister can only spend what he gets, I know, but I was wondering if a nice little nibble out of this large vote might be devoted to the worthy purpose to which I have referred.

Mr. MURPHY: A few moments ago the hon. member for Gloucester asked a question in regard to the system of electing chiefs on a certain reservation in the province of New Brunswick. I am unable to give a specific answer to his question at the present time, but I may say that chiefs are selected by two different systems. The first is the elective system, which is carried on under the principle of manhood franchise and which exists on some reserves in Canada, and the second is the old hereditary system which prevails on other reserves. I am unable to say whether on this reserve the hereditary or the elective system is in vogue, but I shall be glad to get the information and give it to the hon. member.

The hon. member for Melville raised the question of the rebuilding of the Le Bret Indian school which was burned in the fall of 1932. At that time provision was made, as he has stated, for the temporary accommodation of the pupils. The Roman Catholic church have a seminary a short distance from the site of the previous building in which they were enabled to house the male pupils. Manifestly it was not possible, owing to lack of space and for other reasons, to house the girls in that building, and temporary quarters were found for them in the town hall. After a time it was brought to my attention that the accommodation provided for the girls was very unsatisfactory, from every point of view, and we were able to secure other quarters. As the hon. member has stated, much better arrangements were made. May I say to him that I agree the quarters are not such as we would wish them to be, but like everyone else we have to cut our coat according to our cloth, and the arrangements which were made were only temporary in order that the education of these Indian boys and girls would not be interrupted. In our endeavour to attain that object we secured the hearty co-operation of the church authorities.

I recognize the importance of this school. It is among the first schools in Canada, was looked upon as the premier school of the Roman Catholic church in Canada, and one to which various church dignitaries were taken when paying visits to portions of western Canada. I am sorry to have to state that no provision is made in the vote before the house for the erection of this school. May I say to him however that I am hopeful, and I have a basis for my hope, that this Indian school may be built during the season of 1934-35.

Mr. NEILL: I should like to bring a small matter to the attention of the minister. On the west coast of Vancouver Island there is an agency called the West Coast Indian Agency. It comprises some hundreds of reserves which, with few exceptions, are exposed to the full sweep of the Pacific ocean. For that reason it is difficult to reach them by anything other than a substantial boat. The ordinary means of travel to them is by a steamer which runs every ten days up and down again. I am familiar with the situation, because I used to be Indian agent and have often spent five or six days on the steamer to do only a couple of hours or half day's work. That is not an economical arrangement.

During the last ten or twelve years the department has maintained a stout launch which was very suitable for the work, and afforded means for the officials to travel. It has done excellent work and through it good service has been done. Last year the engine in the launch played out, and after being coaxed to the limit of its capacity it had to be laid up. I believe the launch was laid up in Vancouver in the early fall of last year. I asked the minister's department whether or not they were going to instal a new engine, and I was told there were no funds available. That was all right for last year, but when the new vote came into force this year I anticipated an engine would be installed and the work continued. However I was again told that no money has been voted for that purpose, meaning that the launch must lay up in Vancouver to decay while the work for which it is needed and required is not being carried out to the best advantage. That is not good economy. The officials will have to travel by steamer or by hired launches, an expensive way of travelling because even on short runs the rates charged are high; on a run of five or six days the expense would be considerable, and there would be very little economy. I would suggest that as the financial position has improved somewhat in the course of a few months it might be possible to get sufficient money to engine the boat and put it into commission again.

Mr. MURPHY: The hon. member has drawn to the attention of the committee that this year we are not using the government boat for this service. That is correct. Upon investigation we found that about $7,000 would be required to put the boat into operating order, and on the advice of assistant commissioner Perry we chartered a launch to carry on that service during the present season. Therefore the official will be able to carry on the necessary work as has been done in the past. May I state frankly that this step was taken as a measure of economy, and to keep our estimates for this year, in these days of stress and strain, at as low a point as possible. We believe however that ample service will be provided through the chartering of the launch.

Mr. NEILL: May I ask when the launch was chartered?

Mr. MURPHY: It is utilized as required.

Mr. NEILL: When was it chartered?

Mr. MURPHY: The launch is utilized from time to time. That is, we do not have the full services of it, but we engage it from time to time. We have made arrangements whereby we can secure it at such times as its services may be required.

Mr. NEILL: When was that arrangement consummated?

Mr. MURPHY: I have not the exact date, but I can get it for the hon. member.

Mr. NEILL: The point I wish to make is this: The minister has said a launch has been chartered to do the work. I want to know when the arrangement was made, because less than three weeks ago I wrote his deputy and renewed my request to have the engine put into commission. At that time I was told rather curtly that there was no money available, and that the boat would be left out of commission for the whole year. If substitute arrangements have been made to hire a launch I think it would have been only courteous and becoming an official writing a member of parliament to have given me that information. I want to know when the charter was consummated. I am beginning to think it has not been consummated.

Mr. MURPHY: I am sorry I cannot give the exact date that the arrangement was entered into. However as I explained a minute ago, I am informed we do not utilize the services of this launch continuously; in other words, the owner of the launch may use it for other purposes. An arrangement has been entered into with him whereby we may secure the launch at such times as we need it. Or, if it is considered advisable, the official may travel by regular steamship line. However some time during the winter of 1933-34 this arrangement was entered into, and again I must express my regret that I have not the exact information to give the hon. member.

Mr. NEILL: May I ask the name of the boat, or from whom it is chartered?

Mr. MURPHY: Mr. Chairman, I regret I have not the full information before me. Lest I give the hon. member and the committee wrong information I should not like to go into a detailed discussion on the item, but should prefer to get the full particulars and give them to the hon. member. He could submit questions either verbally or on the order paper. I shall give him the information which is in the possession of the department or, in other words, the full and complete information in regard to this particular matter.

Mr. NEILL: It really amounts to this, that no charter has been made and the officials must travel either by ordinary steamer or by hiring a launch, which latter is an expensive procedure.

Progress reported.

[Mr. Murphy.]

At eleven o'clock the house adjourned without question put, pursuant to standing order.

Monday, April 23, 1934

The house met at three o'clock.

LOTTERIES

Hon. C. H. CAHAN (Secretary of State): I beg to lay on the table of the house three copies of a resolution of the legislative assembly of Quebec in regard to lotteries, which has been officially communicated to this government, and also three copies in English and in French of the act of the legislature of the province of Quebec passed last week.

DISCOUNT AND LOAN CORPORATION OF CANADA

Mr. A. U. G. BURY (for Mr. Sullivan) moved the first reading of Bill No. 58, to amend an act to incorporate The Discount and Loan Corporation of Canada.

Some hon. MEMBERS: Explain.

Mr. BURY: I am moving this at the request of the hon. member for St. Ann (Mr. Sullivan), and in doing so I wish it to be understood that I am not sufficiently familiar with the provisions of the bill to be willing to be taken as sponsoring them all. But I understand that the bill makes certain amendments to the bill passed by this house last year. The explanatory note reads thus:

> The main objects of this bill are to provide that the company shall be known in French under the name of "La Corporation de Prêts et d'Escomptes du Canada"; also that the company be empowered to lend money secured by pledge of movable property; and further to improve the wording of section five of the company's act of incorporation.

I understand that there are no very vital or important amendments otherwise.

Motion agreed to and bill read the first time.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

HOG CHOLERA EPIDEMIC

Mr. GOTT:

1. How many hogs were slaughtered in the recent hog cholera epidemic in Essex county?
2. How many departmental officials were engaged during the epidemic?
3. What was the total amount paid to the farmers for their losses?

4. How are losses computed and paid?
5. How many hogs were immunized or treated during the outbreak?

Mr. WEIR (Melfort):

1. 1,331.
2. 19.
3. $5,620.76.
4. Two-third value, permitted by the act.
5. 12,814.

HARROW, ONT., EXPERIMENTAL FARM

Mr. GOTT:

1. What was the cost of operating the Harrow, Ontario, experimental farm for the fiscal year ending March, 1934?
2. What returns did the farm make?

Mr. WEIR (Melfort):

1. $38,499.96.
2. $5,874.99.

MANUFACTURE OF MILITARY BOOTS

Mr. MICHAUD:

1. Is the press report under date April 10, that the Department of Militia and Defence has awarded a contract or contracts for the manufacturing, in the maritime provinces, of nearly 20,000 pairs of military boots, correct?
2. If so, what firm or firms received the contract or contracts?
3. What quantity was allowed to each firm or firms?
4. Were any tenders asked before contracts were allowed?
5. If so, when were tenders called, what firms tendered, and what was the amount of each tender?
6. What price per pair was paid by the Department of Militia for such army boots, and to what firm or firms?

Mr. SUTHERLAND:

1, 2, and 3. Contracts as follows were awarded for 20,000 pairs of boots required for issue to men employed on the various relief projects throughout Canada operated by the Department of National Defence:

	Pairs
J. A. & M. Cote Ltd., St. Hyacinthe, P. Q.	9,000
A. E. Wry-Standard Ltd., Amherst, N. S.	3,000
Eudore Fournier, Plessisville, P. Q.	2,000
Corbeil Ltd., Montreal P. Q.	2,000
Tetrault Shoe Ltd., Montreal, P. Q.	2,000
Tillsonburg Shoe Co. Ltd., Tillsonburg, Ont.	2,000

4. Yes.

5. Tenders were called on March 1, 1934. The firms who tendered and the amount of each tender were as follows (prices include sales tax, and unless otherwise noted are for delivery at Ottawa):

J. A. & M. Cote Ltd., St. Hyacinthe, P. Q.	$3·2754 a pair
A. E. Wry-Standard Ltd., Amherst, N. S.	3·3708 a pair
Eudore Fournier, Plessisville, P. Q.	3·3920, 5,000 prs. 3·4980, 15,000 "
Dufresne & Locke Ltd., Montreal, P. Q.	3·4344 a pair
Corbeil Ltd., Montreal, P. Q.	3·5086 a pair
	Pair
Tetrault Shoe Ltd., Montreal, P. Q.	$3·5404
Tillsonburg Shoe Co. Ltd., Tillsonburg, Ont.	3·5404
LePage Shoe Co., Montreal, P. Q.	3·5510
Williams Shoe Ltd., Brampton, Ont.	3·5828
MacFarlane & Lafaivre Ltd., Montreal, P. Q.	3·6040
T. Sisman Shoe Co. Ltd., Aurora, Ont.	3·6570
Tebbutt Shoe & Leather Co. Ltd., Three Rivers, P. Q.	3·6994
J. Leckie Co. Ltd., Vancouver, B. C. (delivered at Esquimalt)	3·7630
(delivered at Ottawa)	3·9750
St. Arnaud Biron & Cie Ltee., St. Genevieve de Batiscan, P. Q.	3·8690
John Ritchie Co. Ltd., Quebec, P. Q.	3·94
Valentine & Martin Ltd., Waterloo, Ont.	4·00
John Palmer Co. Ltd., Fredericton, N. B.	4·2188
Palmer-McLellan Shoepack Co., Fredericton, N. B.	4·3248
Eagle Shoe Co. Ltd., Montreal, P. Q.	4·4520

The lowest tender received was that of Messrs. J. A. & M. Cote Ltd., of $3·2754 per pair. In order to distribute the work and to expedite delivery, the next six lowest tenderers were asked if they would accept orders for the number of pairs shown at the price of the lowest tenderer:—

	Pairs
A. E. Wry-Standard Ltd.	2,000
Eudore Fournier	2,000
Dufresne & Locke Ltd.	2,000
Corbeil Ltd.	2,000
Tetrault Shoe Ltd.	1,500
Tillsonburg Shoe Co. Ltd.	1,500

All these firms, with the exception of Messrs. Dufresne & Locke, stated they would accept orders at the price of the lowest tenderer.

6. $3·2754 per pair (including sales tax and for delivery at Ottawa).

GRANDE-ENTREE CHANNEL

Mr. BRASSET:

Has the official in charge of the buoys at Grande-Entree channel, Magdalen islands, been paid for the work he performed during the season of 1933?

Mr. DURANLEAU: Yes. The maintenance of the buoy service at Grand Entry, M.I., is under contract with Mr. Willie Doyle of that place for the sum of $200 per annum. His accounts for the six months ending July 2, 1933, and January 2, 1934, have been paid.

DUNDURN, SASK., UNEMPLOYMENT CAMP

Mr. TOTZKE:

1. Have tenders recently been called for the supply of groceries to the unemployment relief camp at Dundurn, Saskatchewan?
2. Were tenders advertised for or were certain individuals or firms asked to tender?
3. What are the names of those who tendered and who was the successful tenderer?

Mr. SUTHERLAND:

1. Tenders were called on March 12, 1934.
2. The following firms were asked to tender: Central Wholesale Grocers Ltd., Saskatoon, Sask.; Codville Co. Ltd., Saskatoon, Sask.; Macdonalds Consolidated Ltd., Saskatoon, Sask.; Western Grocers Ltd., Saskatoon, Sask.
3. Central Wholesale Grocers Ltd.; Codville Co. Ltd.; Macdonalds Consolidated Ltd.

Contract awarded to Macdonalds Consolidated Ltd.

HOUSE OF COMMONS—STONE CARVINGS

Mr. SPENCER:

1. Has the attention of the Minister of Public Works been drawn to the fact that much stone carving remains to be completed in the House of Commons, particularly around the main entrance, and in the Hall of Fame?
2. When was the last work of this nature done on any part of the buildings?
3. In view of the fact that these buildings are a focus for thousands of tourists and visitors every year, and with a view to providing much needed employment for stone carvers, is it the intention of the minister to further the completion of this work?
4. Will the minister consider taking similar action with respect to the Langevin block, similar work on which has remained uncompleted for many years?

Mr. STEWART (Leeds):

1. Yes.
2. The last carving done was in the Memorial Chamber in 1927.

3 and 4. It is not considered advisable to have any further stone carving carried out in connection with the parliament buildings or Langevin block at this time.

QUEBEC SUPERIOR COURT

Mr. TETREAULT:

1. What are the names of the judges of the superior court of the province of Quebec residing outside their judicial district?
2. Does the government require these judges to reside in their district?
3. Do these judges comply with this requirement?
4. If not, why do they not?

[Mr. Brasset.]

Mr. GUTHRIE:

1. With the exception of St. Francis and Three Rivers the judges of the superior court of the province of Quebec are not appointed to judicial districts.
2. The judges of St. Francis and Three Rivers reside in their respective districts.
3. Questions 3 and 4 answered by question 2.

NATIONAL GALLERY OF CANADA

Mr. CASGRAIN:

1. Has the government purchased any paintings for the National Gallery of Canada, at Ottawa?
2. If so, what paintings have been purchased?
3. From whom were they purchased?
4. What was the price paid for each one?

Mr. STEWART (Leeds):

1. No, all purchases of paintings for the National Gallery of Canada are made by the board of trustees .

2, 3 and 4. Answered by No. 1.

SHUBENACADIE, N.S., RURAL ROUTE

Mr. ILSLEY:

1. When was the mail contract last awarded for the rural route from Shubenacadie to North Salem, McPhee's Corner, Indian Road and return, being rural route No. 1, Hants county, Nova Scotia?
2. To whom was the contract awarded, and at what figure?
3. Was it awarded to the lowest tenderer?
4. What were the names of all the tenderers and the amount of each tender?
5. Who was the last previous contractor, and what was the amount of his contract?
6. For what term was the present contract made, and when does it expire?

Mr. SAUVE:

1. 15th April, 1931.
2. Gordon Waller at $650 per annum.
3. Yes.
4. Gordon Waller, $650 per annum; Alex. Sutherland, $720 per annum; O. Gardner, $764 per annum.
5. Alex. Sutherland at $750 per annum.
6. Four years. Contract will expire on 30th June, 1935.

SHUBENACADIE-MAITLAND, N.S., MAIL CONTRACT

Mr. ILSLEY:

1. When was the mail contract last awarded for the carriage of the mail between Shubenacadie and Maitland, Hants county, Nova Scotia?
2. To whom was the contract awarded, and at what figure?
3. Was it awarded to the lowest tenderer?
4. What were the names of all the tenderers and the amount of each tender?
5. Who was the last previous contractor, and what was the amount of his contract?
6. For what term was the present contract made, and when does it expire?

Mr. SAUVE:

1. September 19, 1933.

2. Stuart G. Kirkpatrick at $1,148 per annnum.

3. Yes, but Mr. George Cook was not considered to be in a position to undertake the performance of that service.

4.	Per annum
Geo. Cook	$1,090 00
Stuart G. Kirkpatrick	1,148 00
Wendell Densmore	1,169 00
Samuel Cook	1,173 75
R. A. Fleming	1,176 00
Anson Lively	1,189 00
Alex Sutherland	1,200 00
Leslie R. Ettinger	1,200 00
Elroy C. Mosher	1,245 74

5. Samuel Cook, at $1,565 per annum.

6. Four years. Contract will expire on September 30, 1937.

SHUBENACADIA, N.S., MAIL

Mr. ILSLEY:

1. When was the mail contract last awarded for the carrying of mail between the post office and trains at Shubenacadie, Hants county, Nova Scotia?

2. To whom was the contract awarded, and at what figure?

3. Was it awarded to the lowest tenderer?

4. What were the names of all the tenderers and the amount of each tender?

5. Who was the last previous contractor, and what was the amount of his contract?

6. For what term was the present contract made, and when does it expire?

Mr. SAUVE:

1. January 30, 1934.

2. and 3. James A. Bell at $380 per annum.

4. Alex Sutherland, $385; James A. Bell, $468.

Before action was taken Mr. Bell wrote the department asking leave to amend his tender to $380 per annum which was accepted.

5. Alex Sutherland at $480 per annum.

6. Four years. Contract will expire on March, 31, 1938.

BUTTER IMPORTS

Mr. TETREAULT:

1. How many pounds of butter were imported from New Zealand from July 28, 1930, to October 1, 1930?

2. Was this butter imported under the terms of the treaty concluded during the preceding administration?

Mr. MATTHEWS:

1. Imports of butter from New Zealand entered for consumption in Canada in the months of August and September, 1930, were 2,681,985 pounds.

2. There are no permanent records of separate monthly collections under the different rates of duty applied, but from figures available approximately 2,603,585 pounds of this butter were entered under the terms of the Australian trade agreement effective October 1, 1925, and extended to New Zealand on the same date.

QUESTION PASSED AS ORDER FOR RETURN

PUBLIC WORKS EXPENDITURES

Mr. LAFLECHE:

What sums have been expended by the Department of Public Works in the counties of Sherbrooke, Shefford, Chateauguay, Huntingdon, Brome, Missisquoi, Stanstead, Compton, Richmond and Wolfe, from 1930 to the present date?

MOTIONS FOR PAPERS

DISMISSAL OF MRS. MARIE LAURE LALONDE

Mr. THAUVETTE:

For a copy of all correspondence, telegrams, letters, petitions, and other documents, respecting the dismissal of Mrs. Marie-Laure Lalonde, postmistress of Pointe Fortune, county of Vaudreuil.

GAP VIEW, SASK., POST OFFICE

Mr. McKENZIE (Assiniboia):

For a copy of all correspondence and other documents passing between the Post Office Department or any official thereof and any other person or persons during the year 1933 in regard to closing of the Gap View post office and changing of the mail contract, Forget, Gap View and Handsworth, to Stoughton and Handsworth.

ISLE AUX COUDRES-LA BALEINE, QUE., MAIL CONTRACT

Mr. CASGRAIN:

For a copy of all documents, letters, telegrams, correspondence, and requests, exchanged between the citizens of Isle aux Coudres, La Baleine district, and the Post Office Department at Ottawa and at Quebec, respecting the contract awarded for the carriage of the mail between Isle aux Coudres and La Baleine, from January 1, 1934, to date.

CANADIAN NATIONAL RAILWAYS

AUTHORIZATION OF PROVISION OF MONEYS TO MEET EXPENDITURES AND INDEBTEDNESS

Hon. E. N. RHODES (Minister of Finance) moved that the house go into committee at the next sitting, to consider the following proposed resolution:

That it is expedient to bring in a measure respecting the Canadian National Railways, to authorize the provision of moneys to meet expenditures made and indebtedness incurred

during the calendar year, 1934, and to provide for the refunding of certain maturing financial obligations.

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

Motion agreed to.

THE BUDGET

ANNUAL FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The house resumed, from Wednesday, April 18, consideration of the motion of the Minister of Finance that Mr. Speaker do now leave the chair for the house to resolve itself again into committee of ways and means.

Hon. J. L. RALSTON (Shelburne-Yarmouth): Mr. Speaker, this is the third time that the present Minister of Finance (Mr. Rhodes) has brought down his budget and also the third time that I have had the honour to rise on this side of the house and offer the views of those who sit around me in connection with the matters which he proposes. I again congratulate him, as I have done on previous occasions, on the clearness of the presentation which he has made, and on the moderation of the tone which he has adopted and of the language which has been used in presenting the annual statement of this great dominion. He knows and hon. members generally know that my congratulations cannot go very much further than that in view of the fact that those who sit around me and I myself feel that this budget is born of policies which are diametrically opposed to those which we endorse and which we believe to be for the benefit of Canada. It may be made clear before I get through that I am not particularly enamoured of the budget which my hon. friend has brought down. I do, however, want him to feel—and while it is a commonplace, at the same time even a sincere commonplace may be worth while expressing—this is a criticism not of the Minister of Finance as such or personally, but of those policies to which I have referred.

I could have wished, as a matter of fact, that for his sake the day for bringing down this budget had been a little longer delayed in order that the country might have got out of its mind the British budget which was brought down just the day before he addressed the house. That was a budget wherein the people of Great Britain, a country which has borne the load since the early twenties, were able to show a surplus of something like $150,000,000 at a time when customs duties were imposed, not gallows high as they are here, but having regard to revenue as well as to industry. That budget was in marked contrast to that which my hon. friend presented and which, when all was said and done, instead of showing a surplus, showed a deficit of something like $24,000,000 on ordinary account. May I say also that my hon. friend's budget showed a mistake predicting customs duties notwithstanding that year after year he has been modestly lowering his estimate in the hope some day to overtake the drop. It showed a mistake in prediction of customs duties of something like $6,000,000; last year he predicted that he would receive at least $72,000,000 in customs duties and he received something like $65,900,000. The year before he had predicted $80,000,000 and he fell below that by $8,000,000. I repeat, that perhaps he was not too fortunate in having to present his budget as he did the day after the British one.

In a phrase his budget, it seems to me, shows that the government are systematically living on the future of this country and the future that they are hoping for fails to arrive. I realize that a budget does not have the piquancy of a best seller and that generally there is nothing of dramatic interest to be found in a budget speech, but as a rule, having regard to the changes in the times, one would have thought my hon. friend, in the long speech which he delivered, would have been able to produce at least some item of liveliness outside the gold tax to which I will refer in a moment. I could not help feeling that the Minister of Trade and Commerce (Mr. Stevens) had evidently not had very much to do with the preparation of this budget, because it did not satisfy the longing of his soul which he expressed in the house the other night when he intimated that the people were clamouring for something new and that governments had been slow to depart from the beaten track. He said, to quote his words in full:

> In this country, as in other countries, people have been staggering along under conditions that have been difficult, and have been clamouring for something out of the ordinary. Peoples all over the world have been very restive with governments because governments have been slow to depart from the beaten track.

I read this budget with the thought: Is there not some place here where the Minister of Finance has departed from the beaten track, if for nothing other than to satisfy the ambitions and longings of the Minister of Trade and Commerce? But I

find that even silver, which is a favourite subject of my hon. friend, is not mentioned in the budget. That would have been a step aside from the beaten track for him.

Even the turnover tax, which has been mentioned in years gone by, is not to be found in this budget. The Prime Minister (Mr. Bennett), speaking in the house in 1928, at a time when he had not the responsibilities of office, was most urgent that a turnover tax should be imposed in this country. Here was an opportunity for the Minister of Finance to step aside from the beaten track to give the people, as the Minister of Trade and Commerce says, something they are clamouring for and to impose some new form of taxation. The statement made by the Prime Minister in 1928 in Hansard at page 1252 was:

> May I remind the house that last year I argued that, in my judgment, the fairest method of taxation in the world was to be found in the turnover tax. I have not changed my mind in that regard; I think there should be a turnover tax collected every month.

A little further on he said, with characteristic modesty:

> I pointed out when discussing this question last year that the idea was not original with myself. I do not claim originality for it; it has been submitted to the house before and is endorsed by sound economists and financiers. I urge the Minister of Finance, therefore, to take it into his serious consideration.

That turnover tax is not found in this budget. The Prime Minister in 1931 again advocated it and again indicated his disappointment that it had not been put upon the statute book. He said—I am quoting from Hansard of 1931, at page 3307:

> I should like to have seen applied in Canada some new system of taxation, and he is quite right when he says it is not at all probable that I shall ever have a chance to try a new form of taxation, because it is not at all likely that I shall ever again submit ways and means to this house. I am not without hope, however, that some Minister of Finance reviewing the means by which taxes may be raised will realize the values and benefits accruing from a turnover tax. . . .
>
> Sir, it has not been my privilege to introduce any new forms of taxation to this country at this time. . . . I do not for a single moment disguise the fact that I would like to have done so. I should like to have written a budget which would have expressed my views with respect to taxation in Canada. That privilege has not been given, and it never will be.

I only want to say to the Prime Minister, who I am sorry is not in his seat, being indisposed I understand, that he ought not to feel too badly about it. He is tender-hearted and if he did bring down a system of taxation of this kind he would be sure to change it before the budget was through. He ought to leave it to the flinty Minister of Finance to impose taxation.

But if my right hon. friend the Prime Minister is looking for the privilege of having it said of him that he imposed taxation in this country surely his ambition is satisfied in the increase of the sales tax from one to six per cent, in the imposition of an excise tax which did not exist when he came into power but which has been put up to three per cent, in the imposition of a two cent tax on sugar, in taking away exemptions from the sales tax, in the reduction of exemptions in the income tax; in these and in every other field of taxation I think my hon. friends opposite will be given full marks and will be held fully responsible when they come to the people of Canada, for having invented and imposed many new and onerous forms of taxation. My right hon. friend the Prime Minister need not have any regrets, I think. The Minister of Finance has enjoyed and exercised to the full the privilege, as the Prime Minister calls it, of levying and imposing taxation, as the people of this country have good reason to know.

But there might be some other method whereby the beaten track could be avoided and something new put into this budget. I have mentioned this before but in view of the fact that the other night the Prime Minister in the House of Commons dealt with debt conversion, let me remind this house that it was not so long ago that the Prime Minister had a very distinct and definite plan for retiring the national debt by means of a sinking fund which was to be established and a certain amount set aside each year. I quote from Hansard of 1928, page 1249:

> Mr. Bennett: The finance minister said that the only way to pay off the debt was out of surplus. I suggest, Mr. Speaker, that there is another way in which we can pay off our national debt, and that is to pass a statute by which we provide that a given sum per annum shall be set aside to pay off the national debt of Canada.

That was in 1928. Of course, Mr. Speaker, you cannot pay off national debts and set up sinking funds unless you have surpluses, and you do not have surpluses with Tory governments in power. So it is all right for my hon. friend the Prime Minister to advocate the setting up of a sinking fund when Liberals are in power and piling up surpluses, but we hear nothing about that plan to-day when deficits are the order of the hour.

Another way in which my hon. friend could have got out of the beaten track and satisfied the Minister of Trade and Commerce was to have abolished the sales tax. That was an "iniquitous" tax according to the Minister of Justice (Mr. Guthrie) in 1928. That was a

tax which the Prime Minister in Hansard of 1927 at page 397 called the "poor man's income tax." That is the tax which was referred to by the Minister of Justice in Hansard of 1928 at page 1124, when he pictured the poor man as having to wear woollen underwear in the wintertime and had to pay on that woollen underwear a sales tax of three per cent. He said that the poor man also had to wear a suit of woollen clothes, and asked: Mr. Speaker, do you realize that a man who pays $30 for a suit of woollen clothes has to pay 90 cents in the shape of this "iniquitous sales tax" to the government? He said the sales tax was a war tax and should have been abolished long ago. Well, the war was over ten years at that time, and it is over sixteen years now, and the sales tax is still on, but the man who buys a $30 suit of woollen clothes is not paying only 90 cents to the government to-day; he pays $1.80 under the taxation imposed by my hon. friend the Minister of Finance. Before the King government went out of power the tax had been reduced to one per cent and the tax on the suit of clothes was only 30 cents, but the sales tax is still here, the iniquitous sales tax which my hon. friend the present Secretary of State (Mr. Cahan) proposed to have removed. This iniquitous sales tax and the poor man's income tax is still here and has been multiplied by six under the present government.

The financing of maturing obligations—that was a study which my right hon. friend the Prime Minister had dealt with on successive occasions that might have been introduced into the present budget as something out of the ordinary. The sinking fund he proposed at first, and then later he suggested when he was in opposition over on this side of the house that there should be some way of converting the national debt. Hon. members will recall that he mentioned it when he was speaking in the debate the other night on the motion that the Speaker leave the chair for the house to go into committee of supply. When he was in opposition he advocated that there should be issued four per cent Canadian consols, and that the insurance companies and the banks should be compelled to subscribe for these consols and retire the national debt. This is what he said in 1927 in Hansard at page 407:

> If my suggestion were carried out there would be some diminution in interest profits, but in view of the fact that there are such vast profits earned over and above the money necessary to take care of reserves at three and three and a half per cent, no hardship would be imposed upon the Canadian people, who would realize that their savings, although the profits of the life insurance companies might be affected—and as my hon. friend knows, life insurance is intended for protection rather than for profit—would be available for the whole of the people, while the trusteeship obligation imposed on the companies would be better discharged by reason of the stability and certainty of the securities.

At that time my right hon. friend did not indicate that there was any difficulty at all about reducing the income of the life insurance companies, but in speaking in this house the other evening, as reported at page 1629 of Hansard, and I have read each passage that makes any reference to the life insurance companies, he studiously avoids altogether the views which he expressed in 1927. The most he says is on page 1629 where he says:

> Who are the holders of these securities? They are primarily the insurance companies, primarily those who, for the purpose of meeting contracts maturing in the future, have invested in these securities on the basis of their yielding somewhat a higher rate than three and a half per cent to take care of contingent losses that may arise by reason of fortuitous circumstances. Every hon. member, if he will think for just a moment, will realize, will understand that.

I say, Mr. Speaker, it is remarkable what a difference the responsibilities of office make. My right hon. friend the Prime Minister in 1927, when he was in opposition, thought there was no difficulty at all in forcing the life insurance companies and the banks to subscribe to four per cent securities. But it is a very different thing in 1934, when the suggestion is made that perhaps these insurance companies might head a campaign for the lowering of interest rates in this country and for the converting of the national debt. No, Mr. Speaker, that proposal is not in the budget. The beaten track is not left so far as debt conversion is concerned.

There is another thing. I felt that in the budget this year we might at least have heard of a promise that was made by the Prime Minister in 1930, and I quoted that promise the first time I spoke on the budget after the 1930 election. There were a good many promises made by the Prime Minister. There was one made down in the province of Nova Scotia by the Prime Minister with regard to old age pensions. The promise was contained in a letter which I put on record at that time, and which I shall not quote in full to-day, but from which I will extract a couple of paragraphs:

Bennett's Pledge On Old Age Pensions
Conservative Federal Headquarters
Victoria Building
140 Wellington Street
Redmond Code,
General Secretary.

Ottawa, Canada.
July 12, 1930.

To the people of Nova Scotia:

I leave out the first two paragraphs. The third paragraph reads:

While the old people of your province were unable to benefit by the present act during the last two years, nevertheless through the contribution of one-half of the pension money from the federal treasury you have been contributing your share of the pension money going to the old people in other provinces. This situation cannot continue.

Mr. King says that in order to adopt a national old age pension bill, we will have to amend the British North America Act as it is now unconstitutional for the federal government to pass such a bill. I contend that if the dominion government can contribute 50 per cent as they do at present, they can contribute it all.

If returned to power on the 28th of this month, I pledge my party to pass a national old age pension bill by which the federal treasury will provide all the money required—thus treating all the old people alike, whether they live in the maritimes or in any other part of Canada.

Faithfully yours,
R. B. Bennett,
Leader Liberal-Conservative Party.

I directed the attention of the right hon. Prime Minister to that promise ten months after the Conservative party came into power; I said it seemed to me that the old people of the province of Nova Scotia had a right, after that letter had been sent to them two weeks before the election, to believe that as soon as possible after the Conservative party were in power the 100 per cent old age pension act would be passed, because it is not very much good promising old people an old age pension act and then waiting three or four years to pass it; a good many of those to whom the promise was made would not live to get the benefit of it. At that time the Prime Minister said it was not promised that the act would be passed immediately, and the Minister of Justice (Mr. Guthrie) interrupted and said "It will be done." I would point out to the Minister of Justice that it is now two years and ten months since he made that statement in the house and that it is now three years and nine months since the letter was written, but the promise of a one hundred per cent old age pension act is still unfulfilled. So I ask my hon. friends, and the Minister of Finance (Mr. Rhodes) for the sake of the Minister of Trade and Commerce (Mr. Stevens): How about just breaking away from the beaten track for once and fulfilling just one promise? How about just breaking away from the track that seems to have been laid down by the party opposite, of disregarding promises entirely, and fulfilling just this one promise? But that has not been done. Apparently there is only one beaten track for my hon. friends as far as budgets are concerned; that is debt, deficits and taxes. There is nothing else, and so far as any features go which would satisfy the ambitions, the desires and the ardour of my friend the Minister of Trade and Commerce, this budget is just as featureless as the Sahara desert; the only thing in it is this tax on gold, to which I shall refer in a few moments.

There is something else to which I should like to refer. My hon. friend the Minister of Finance, as I can understand, has to be guilty of a certain amount of repetition in connection with his budget speeches, but there is one phrase I do hope he will omit if he happens to bring down a budget next year, that is to say if there has not been an election in the meantime. I find that in 1932 almost the last words in my hon. friend's budget address were:

As a final word, may I say that I do not propose to indulge in prophecy. But I do desire to record my firm conviction that we are not far removed from events which will herald the dawn of better days—

That address was delivered on April 6, 1932, and the results that year showed a deficit of $157,700,000 and an addition to the debt of $148,126,000, together with additional taxes, as will be remembered by hon. members of this house and by the country, so that the better days did not dawn. Then in 1933 my hon. friend used these words in concluding his remarks:

At the same time we have no occasion to despair for the future. On the contrary I am of the firm belief that we can look forward with complete confidence to better and happier days.

In that year, according to the budget which my hon. friend has just brought down, we had a total deficit of $135,200,000, an increase in the debt of $139,244,000 and now we have this tax on gold, to which I am going to refer shortly. The better and happier days are still deferred. Now this year, in 1934, I find my hon. friend still optimistic; he says:

May we with renewed hope, fresh courage and firm step press on towards the goal of better and happier days which lie not far ahead.

I believe my hon. friend spoke better than he knew this time; I really believe the better and happier days are going to come, if there

is an election. My hon. friend evidently was thinking of Nova Scotia, of British Columbia, of Restigouche-Madawaska, of Yamaska, of South Huron, of Mackenzie and of South Oxford. Judging from the example that has been given by these constituencies my hon. friend, I feel satisfied, can look forward to better and happier days under Liberal government. If there were to be no election and the present government remained in power I would say that I should set these words of his to music, to the tune of "The same old story in the same old way," but if the election comes off, as we hope it will, the tune can more suitably be, "Happy days are here again."

Now, Mr. Speaker, I want to refer to some matters which are in the budget, not matters which are left out but matters included in the budget. The first to which I intend to refer—and it is not new to my hon. friend the Minister of Finance or to this house—is the fact that notwithstanding all that has been said in the past by the right hon. Prime Minister, this is not a budget. The matters which are not in this budget, so far as a list of expenditures is concerned, are rather formidable. We have understood that in the budget there should be brought down a statement of the expenditures made during the last fiscal year, a review of trade conditions, an indication of the government's policy with regard to trade, and a forecast of what conditions were to be expected during the coming year, together with the financial commitments which are to be made. I find fault with this budget on two grounds, first the items which are omitted and secondly the predictions which have proved grossly inaccurate. I cite as my authority for the necessity of compliance with those two principles the right hon. Prime Minister himself, who in 1931 condemned in unmeasured terms the former Minister of Finance for not having predicted a deficit of $75,000,000, indicating that this was:

> the basis of responsible government, it is the basis upon which representative institutions have been established, and that responsibility can only attach when there is some estimate as to what is being received by the country from the taxation imposed and as to what expenditures are to be made.

I ask you, Mr. Speaker, in the light of these words, if this is a budget.

In this budget is there any estimate for the so called public works program that is supposed to come down some of these days? Is it not proper that this should be included somewhere in the budget? I have looked through it from end to end, and the only statements I can find with regard to any expenses other than ordinary expenses are simply a reference to relief and a reference to a deficit on the Canadian National Railways. There is no statement here with regard to public works, though we understand that the amount to be spent will be something like $50,000,000. Is there anything here for advances under the relief bill other than the ordinary advances which have been made from year to year and which, unfortunately, we are coming to regard as ordinary though they are most extraordinary because they are made under the authority of a blank cheque. There is nothing whatever in this budget with regard to them. My hon. friend does not even deign to give the amount which will be spent for relief; neither does he deign to give the amount which he thinks will be spent in connection with the Canadian National. Is there anything here to show the amount involved if the wheat obligation should come due this year? Is there anything to indicate the amount which would have to be provided to pay that? Not a dollar. That is not in the accounts at all. All that my hon. friend does is attempt to raise enough money to pay the ordinary expenditures which he knows about, to comfort himself with the idea that there might be $8,000,000 surplus on ordinary account and then let the future take care of itself. I submit that that is not a budget which will meet any test as to the necessities of a budget. It is not a budget which would meet the requirements laid down only two or three years ago in this House of Commons by the Prime Minister.

But further than that, it is not a budget because it shows, as have previous budgets, that there has been an absolutely inaccurate estimate of the necessities of the public service. Let me speak about the item I have just mentioned. In 1933 my hon. friend estimated $35,000,000 for special expenditures and non-active advances. What did he spend? He spent $52,570,000 or $17,570,000 more. He estimated for the Canadian National Railways $47,941,000 and spent $52,264,000, leaving out entirely the eastern lines deficits. In other words, there is a difference of over $22,000,000 on those two items. My hon. friend may take whichever horn of the dilemma he likes. If his leader was right when he said that the Chancellor of the Exchequer in delivering his budget address in the British parliament is always held to the strictest account as to the extent to which he has been able to realize his expectations and the extent to which his representations agree with the facts of the year in review—if I say his right hon.

leader was right at that time, then my hon. friend stands condemned out of the mouth of his leader himself.

As the years go by under this government we are getting farther and farther away from the first principles of government. We are getting to the stage where power is being handed over to the sixteen or seventeen men sitting on the treasury benches and this House of Commons is told simply to give a blank cheque, to give them not only the power of parliament but the resources of the treasury as well.

Then, so far as this year's budget is concerned, let me remind my hon. friend of the predictions which have been made in the past, and how far short they have fallen. In 1931 the right hon. Prime Minister, then acting as Minister of Finance, said, speaking about the probable customs duties which he had taken into consideration in estimating his budget:

> Taking this into consideration the figures presented indicate a balancing of the budget by a substantial margin in respect of expenditures properly applicable to 1931-32, after excluding capital.

He said they indicated a balancing of the budget by a substantial margin. When the accounts were cast up and my hon. friend the present Minister of Finance had to present the budget in the following year to the house the so-called balancing of the budget by a substantial margin had faded into insignificance, and my right hon. friend, the Prime Minister's estimate of revenue was $71,652,000 too optimistic, and instead of the budget being balanced there was a deficit of $81,000,000. In 1932 my hon. friend cautiously, as befitted a new Minister of Finance, referring to revenues from customs and excise taxes said:

> Without building too greatly on help from these sources in the present year it is the considered view of the government that reductions in expenditure on the one hand, and proposed additions to the taxation revenues on the other, will in the final outcome represent a complete balancing of the budget on the usual governmental services.

Yet we find the result of the year's financing was not the balancing of the budget, but a deficit on ordinary account alone of $53,000,000. Then again in 1933, I shall read the minister's remarks as they appear in Hansard for 1933, page 3223:

> Accordingly it is proposed to recommend measures which will, it is anticipated, produce at least $70,000,000 on the basis of present business conditions, leaving a surplus of $2,000,000. Even a slight improvement in price levels and the general volume of business would increase substantially the surplus to be applied against capital and special expenditures.

But when we look at the budget speech which the finance minister has just delivered we find that the $2,000,000 surplus he predicted has turned out to be a $24,000,000 deficit notwithstanding that business has improved as he says.

I say to you, Mr. Speaker, that those are not budgets in the sense, at least, in which his right hon. leader understands them. I am afraid that predicting in this country is becoming a sort of byword. It is shaking the confidence of the people in their government. I would not mind so much if the Prime Minister had not adopted that holier than thou attitude, had not wrapped a mantle of purity about him and given thanks that he was not as other men were, and indicated that he was the only man who had ever brought down a real budget. But having done that and having plumed himself on his own righteousness then he ought to be held to it. I submit that having boasted of his own rectitude of deportment the Prime Minister and his Minister of Finance stand convicted of the very offence which the right hon. gentleman has charged against others, only in a greater degree, namely that of omitting entirely items which should be in the budget and consequently failing by millions of dollars properly to predict the result of the year's financial operations. For the consideration of the Prime Minister I suggest that instead of giving lectures to other people on budget making he might, it seems to me, having regard to that record, take a correspondence course himself in that subject.

For a moment or two I should like to deal with the matter of public debt. The Minister of Finance has not placed on record any indication of the public debt except that pertaining to the present year. I realize he is not required to do it, but it seems to me that such a table would have been informative. At the risk of detaining this house I shall read into the record figures showing what the public debt has been in each year, beginning with the fiscal year of March 31, 1930:

Year beginning—	Public debt
March 31, 1930	$2,194,746,000
March 31, 1931	2,319,196,000
March 31, 1932	2,501,782,000
March 31, 1933	2,649,908,000
March 31, 1934	2,789,152,000

The following figures will show the increases in public debt:

Year—	Increase
Between 1930 and 1931	$124,450,000 (odd)
Between 1931 and 1932	182,586,000 (odd)
Between 1932 and 1933	148,126,000 (odd)
Between 1933 and 1934	139,244,000 (odd)

These figures show a total increase between March 31, 1930, and March 31, 1934, of

$594,405,000. That means an increase in the interest payable by the people of this country of practically $25,000,000 per year, or $2.50 per head. That is the interest load which has been put on the people of Canada since this government took office. As will be remembered, under the old Liberal government, between the years 1925 and 1930 there was recorded a total surplus of $257,000,000.

My hon. friend may say that this government's position is due to railway deficits. Let me remind him that during the Liberal administration current deficits on railways were paid out of revenue, and were not added to the public debt. Let me remind him, further, that under the Conservative government between the years 1919 and 1921 the average deficit on railways before paying interest due the public averaged $22,000,000 yearly. From 1922 to 1930 under Liberal government the average surplus available for payment of interest due to the public was $24,000,000, and the deficits began again in 1931 under the present government with $4,100,000 and for the last two years over $3,000,000 each year before paying interest due to the public.

Someone else may say that the debt is due to relief. Well, Mr. Speaker, relief was not contemplated when this government came into office. There was to be no relief. There was to be no necessity for relief. Speaking in this house the Prime Minister realized that conditions were serious in 1930. Before he went down to Moncton and made his promise, the Prime Minister made a statement which appears on page 18 of Hansard of 1930. He said:

> What about conditions in this dominion at this moment? What about conditions from east to west? It is true that part of the unemployment is seasonal; but since the beginning of the year I have traversed Canada from Victoria to the far east, and in every city of this dominion, east and west, there is abnormal unemployment, so that men who are accustomed to give, as I have been, to assist those who are unable to earn sufficient to keep body and soul together, have never before seen such distress as I have seen in the communities I have visited.

Then he went down to Moncton and said that he would give work to every man who was willing to work, or perish in the attempt; that he would give work, not doles. He cannot say he did not know what the conditions were at that time, and he promised that employment would be found. The public debt has been increased by $596,000,000; the increased interest charges amount to $25,000,000 a year or $2.50 for every man, woman and child in the dominion. I should like to put on record the Moncton promise of the Prime Minister because it seems to me that this goes with the passage I have just read. The promise was:

> The Conservative party is going to find work for all who are willing to work, or perish in the attempt. It is going to call parliament at the earliest possible date after July 28, and take such steps as will end this tragic condition of unemployment and bring prosperity to the country as a whole. . . . Mr. King promises consideration of the problems of unemployment. I promise to end unemployment. Which plan do you like best?

In bringing down his budget this year the Minister of Finance strikes rather an optimistic note in the first paragraph or two of his speech. He indicates that statistics show that conditions in this country are improving a little but he does not say anything about the fact that at the end of February there were still receiving relief heads of families totalling 267,853, while the total on relief numbered 1,270,599. I place those figures beside the statement of the Prime Minister at Moncton in 1930. My hon. friend must produce more than statistics furnished by the bureau of statistics to convince the people of Canada that at the present time all is well in the dominion. You do not need to take index figures or adjusted trade returns, all you have to do is to go up and down and across the length and breadth of this country to find that there is still a lot to be done in the way of improving conditions before we get back to the days we had before 1930.

Let me now deal with the matter of debt conversion. The other night the Prime Minister referred to this in the debate which arose on the motion to go into supply. I believe that the development of trade, the balancing of the budget and the conversion of our debt are the three most important questions in this country. The Prime Minister has given the impression that we must all stand still until 1937 has passed as far as the conversion of the debt is concerned. He says that the letter of the bond is there and that it must be observed. The Minister of Finance says that the sole remedy with regard to the conversion of the public debt or the easing of the burden of the public debt is a rise in the price level. I would hardly think that the taxing of gold is a good way to raise the price level, but my hon. friend knows best. The interest burden is now $139,730,000, while this year's deficit will add another $6,000,000 making the total $145,000,000 per year. In his budget speech the Minister of Finance said that the Prime Minister had dealt with the matter of debt conversion. I submit that a matter as important as this one deserves more than an offhand statement from the Prime Minister in a debate on a motion to go into supply; I

submit that it deserves detailed attention in the budget speech. I do not profess to offer anything new but I would remind the Minister of Finance that in 1928 the Prime Minister, then leader of the opposition, said this:

Is this country to continue to be menaced by this economic evil, by this debt hanging over our heads? Are we to continue, of all countries in the world, to make no provision for the future? Are we to be content to expend our patrimony day by day without putting anything aside to take care of the long days of the future that are before us? I say it is unfair to posterity, and still more, it is unfair to ourselves, it is unfair to the taxpayers of this country to extract from them each year these increasingly large sums of money and make no provision for the retirement of our national obligations. The sum to be set aside is not large. I can only say this, that if we on this side of the house were entrusted with power, we would not hesitate a single moment to make provision for the retirement of the national debt of this country.

He continued on page 1251 as follows:

Then why does not the Minister of Finance devote his energies to converting our national debt upon a large scale, instead of reading us some piffling remarks, written by an economist a hundred years ago? Let me go further. The saving of 20 million dollars a year on the refunding of the debt might be possible if you would say to the holders of the 5½ per cent tax exempt securities maturing within the next nine and ten years that there would be freedom from or great deduction of income tax during the next decade. Does it ever occur to hon. members that in addition to the 110 million dollars free money, the exemption from income tax for the next five or ten years might bring about a great expansion of public revenue?

I have just one more extract. All this has to do with the conversion of the public debt and with the things the Prime Minister proposed to do at that time. He was impatient with the Minister of Finance of that day and he said that two billions of securities ought to be converted. He is reported on page 1252 as follows:

With two billions of securities maturing in nine or ten years, and with money at 4 per cent, there is the greatest opportunity that was ever offered to any minister of finance in this country. To seize that opportunity requires courage, skill, ability, knowledge; it requires willingness to devote some time to a study of the problem. It requires more thought about economies and less inclination to extravagance; it requires more consideration of the question as to how the money is to be secured rather than how it may be spent. It requires the consideration of world factors that determine the price at which money can be obtained. Is this government giving the problem that degree of attention? Is there any evidence of such consideration of the question on their part? Let hon. gentlemen opposite ask themselves that question.

That was in 1928, and we now have an offhand statement by the Prime Minister saying that he has thought about this question a great deal but has come to the conclusion that 1937 is the earliest time at which we can think of any possible conversion of this debt. As a very humble member of this house let me suggest to him that the first thing to be done in connection with the conversion of our national debt or the lowering of the interest burden is a considered and serious drive towards balancing the budget. If he considered that 1928 when money was cheap at 4 or 4½ per cent was a good time to convert, it seems to me that the present cheapness of money should be taken advantage of. The next thing is a planned major refunding operation, preceded by conferences with institutions and carried out in a manner similar to the victory loan campaign.

The Prime Minister says that there are difficulties with regard to foreign holdings. Possibly there are, but this government has not hesitated to tax non-residents with regard to dividends. The government of the United States has not hesitated—you may call it repudiation or whatever you like—to change the letter of their bond as far as payment in gold is concerned. The Minister of Finance has not hesitated to take advantage of the fact that the United States is regarding its dollar as worth only sixty cents in gold and to make our dollar worth the same. Nothing is said about repudiation when we are paying in these sixty-cent dollars. It seems to me that perhaps we are not meeting the situation fairly when we talk about repudiation and hold up that bogey with regard to debt conversion. Let us assume that there are difficulties with regard to foreign holders, let us assume with the Prime Minister that we want to maintain our credit—by the way, I do not quite appreciate what good we hope to do by maintaining our credit so far as foreign investment is concerned as there does not seem to be much under this government in which foreigners want to invest except gold mines. The sale to foreigners of industrials in this country has not been heavy under this present government.

But let us assume that we desire to keep our credit unsullied in every respect. May I offer this suggestion, for which I claim no originality, because I observed that it was put forward in a Canadian journal one or two weeks ago, and I have also heard it discussed by others. I mention it now simply in order that it may be on record, and that the government, if they have not considered it, may keep it in mind in connection with the conversion of our debt. That suggestion is this. If you feel that you cannot carry on a major refunding operation simply by reducing inter-

est rates and planning a victory loan drive, appealing to the patriotic consciences of Canadian citizens, if you cannot manage it by appealing to the institutions and the citizens of the country, or if you feel that a conversion in this way under present circumstances will not be justified, why not consider the question of compensation for reduction of interest rates by way of increasing capital? I say to the government, consider the matter of amortizing the difference between a 4½ per cent bond and a 3½ or a 3 per cent bond. Add enough capital to the bond to equal the present worth of the reduction in interest, covering a period of, say, twenty years. You will then have materially decreased the annual interest charge, and the capital will have been increased by a much smaller sum than the total of the annual interest savings. I note that the estimate was made, in this journal to which I have referred, that refunding $1,500,000,000 on the basis of 2½ per cent tax free there would be an increase in capital of $200,000,000, but there would be a decrease in annual charges of $20,000,000. On the other hand, refunding $2,300,000,000, would create a capital addition of about $600,000,000, but at the same time it would mean an annual saving of something like $34,000,000. These are proposals that ought to be considered. The Prime Minister did not mention this plan the other night, and I should like to hear his comment upon it. What I do deplore, however, is the rather dogmatic attitude taken both by the Prime Minister and by the Minister of Finance in assuming that this matter of debt conversion is completely out of the picture and that we are absolutely obliged to continue paying $145,000,000 in interest per annum whether we like it or not.

No one proposes the repudiation of obligations, but we cannot accept the statement of the Prime Minister and of the Minister of Finance as absolutely the last word in the matter. I repeat, I consider debt adjustment, a balanced budget and an increase of our trade the three greatest problems before the dominion to-day.

Now, I have spoken of the direct obligation of Canada, which is $2,789,152,000 to-day apart altogether from guarantees. But there are indirect obligations, as the Minister of Finance says in his speech. There are additional guarantees, listed in his budget speech, totalling $82,905,000. There are guarantees on account of the Canadian National Railways harbour commissions and Canadian National Steamships of $993,000,000, or a total of $1,075,905,000 —guarantees in addition to the direct debt itself. What does that mean? In round figures, that means a total of $3,890,057,000, as the total obligation of this dominion in respect of guarantees and direct obligations.

I have included in that something not stated in the budget speech; I have included an obligation of $25,000,000 on account of the wheat guarantees. The Prime Minister indicated in the house the other day that this might amount possibly to $15,000,000. Well, in my opinion, neither the Prime Minister nor Mr. John I. McFarland nor any man in this house or in the country can tell us what it will amount to; it is absolutely impossible for anyone to predict it, when you find that 100 million bushels of wheat or more is being held. No one knows exactly, but a very large quantity of wheat is hanging over the market. Now, wheat may be quoted at a certain price to-day; drop any large amount of it on the market and attempt to realize and you will see the bottom fall out of the market; you will see how quickly millions will mount up in the way of losses. So that we cannot make an estimate as to the amount of the possible loss in connection with the wheat guarantee.

Right here I wish to protest once more against the idea of the Prime Minister writing a letter giving an absolutely blank guarantee to the banks of the dominion to back up and finance the operations of any one individual in respect of any undertaking. The least that the Prime Minister could have done, when he wrote that letter, was to limit the obligation to so much money; he should have stipulated some figure. At the present time however there is no limit; not a dollar is mentioned. This means that Mr. McFarland, as head of the cooperative wheat producers, can buy and sell as he thinks proper. The suggestion was made that there might have been a limit, but there is no record of any limit at all, so that he may buy and sell as he thinks fit. He may go to the banks and get money and when the whole transaction is over, when the thing is all washed up, when the wheat has been realized on five or ten years from now, the government of Canada will foot the bill and the people of this country will pay for it.

I say to you, Mr. Speaker, that this is one of the reasons why I complain of this not being a budget. The Prime Minister, with all due respect to him, is too fond of signing letters in the name of the people of Canada. He signed a letter, in January, 1931, if I remember rightly, guaranteeing the banks with regard to the wheat pool, and passed an order in council the next September, nine months afterwards. That is not good business, having regard to the size of the transaction and the necessity for carrying on government business in a proper way. In the first place, he

did it under an act which stipulated no limit whatever, and which he extracted from the members of this house by force of the government majority—an act which makes no provision at all for any limit in amount or purpose, but empowers the government to loan in connection with anything they like. It is primarily a relief measure but it has developed into everything but that. Now, that is one obligation to which I refer. We do not know exactly what the liability is, nor shall we know until Mr. McFarland is all through.

They say that Mr. McFarland is not gambling, not speculating. Let me put the situation to you, Mr. Speaker. Here was the job that was given him. No. 1: You, Mr. McFarland, are to dispose of the 1930 crop. Well, that seems fairly easy; he can go and sell. But, no; Mr. McFarland, while you are to dispose of the 1930 crop you will not depress the market. So that the next step you will take is this. If you find the market going down in connection with the 1931 or the 1932 crop, step in and buy wheat. In other words, instead of selling you are to buy. What is the result? He was charged with the duty of disposing of the 1930 crop, and to-day, after three years, Mr. McFarland, who was supposed to dispose of the crop of 1930, has succeeded to this extent that he has on hand in the shape of futures, millions of bushels more wheat than he started out with. This means that there will have to be rust in the Argentine or a famine somewhere which may provide an outlet for the disposition of that wheat, and in the meantime we will roll up the cost of carrying the wheat each month and each year.

That I say, Mr. Speaker, is not good business. It is not good business for this country that the government should operate in that way. If they wanted to undertake the obligation they should have come to parliament and submitted an estimate of what it would involve, and should have discussed the whole matter thoroughly on the floor of the house before the writing of that letter.

The guarantee in connection with the Canadian Pacific Railway is exactly in the same category in many respects. That transaction was carried out in this way. Discussions were had with the Prime Minister, an intimation having been given that the Canadian Pacific Railway would have difficulty in financing for 1933-34. We are told that no suggestion was made at all that the government should guarantee the loan, but suddenly on May 30 the suggestion came from someone—Mr. Beatty I think—that the government should guarantee the loan. The Prime Minister thinks there may have been a discussion earlier than that. Parliament prorogued on May 27, 1933, and on May 30 the conference was had between Mr. Beatty and the Prime Minister. The next day, May 31, a letter was given by the Prime Minister that this country would guarantee the obligations of the Canadian Pacific for 1933 and 1934, would guarantee the banks so that they might loan money enough to retire those obligations and carry them for the railway for five years. That amounted to $60,000,000. When was the order in council passed in respect to that? The following November, November 29, 1933. This was a good thing for the Canadian Pacific, so far as financing was concerned; the banks got a good piece of business, but the Prime Minister is too prone to sign his name to letters, to doing things in a big way and using the credit of the Dominion of Canada for that purpose. I am reminded that the money was loaned and the advances made by the banks all through the summer of 1933 long before the order in council was passed. That is the situation. What has happened? We are talking about four and a half per cent or four per cent loans for the Dominion of Canada. What are the banks getting out of the Canadian Pacific guarantees? A guarantee of interest at five per cent with practically a government bond backing it up, because it is a letter of the Prime Minister of Canada backed up by an order in council. What are the banks getting with regard to the wheat pool? The dominion can borrow at four or four and a half per cent, but the banks are getting five and a half per cent for the wheat pool borrowings under a dominion guarantee. I want to be fair to the banks; they are giving four per cent on money left on deposit, but five and a half per cent is the rate paid to the banks by the cooperative wheat producers and that despite the fact that they have a government guarantee behind them.

Mr. HACKETT: Four and a half per cent.

Mr. RALSTON: I was quite satisfied it was five and one-half per cent. I accept my hon. friend's correction if that is so, but as a matter of fact I think it is five and one-half per cent. It is, however, a rate above that which the Dominion of Canada should be paying for guaranteeing the banks or anybody else for money.

Further, with regard to the Canadian Pacific loan, let me say this. The statement is made and is unchallenged that the loan which the Bank of Montreal made to the Canadian Pacific they were willing to carry on the security which they had without any dominion guarantee. In some way or another the Prime Minister felt that the matter was

important enough for him to intervene and apparently the suggestion came from him just as much as it did from anybody else, that the five-year financing be done now and that the government step in like a great father, take over the whole load of the Canadian Pacific financing for the next two years and give this blanket guarantee. Those are matters which do not appear in the budget speech. The $60,000,000 guarantee is there, but the circumstances under which it is made do not appear in the budget and are not mentioned by the Minister of Finance in his speech. So, if we take the guarantees both direct and indirect and add the $50,000,000 to be spent in public works we find that the national debt is something more like $4,000,000,000 than the $2,700,000,000 which was mentioned by my hon. friend. So much for the blue side of the sheet so far as the book-keeping is concerned.

I feel that the Minister of Finance has not done quite justice to himself or to the country or to the government in the way in which he has presented in his budget the trade figures and the business of the dominion. He does not seem to realize that perhaps the most important thing in this country is trade; that we cannot collect any taxes, that we cannot hope to get rid of our railway debt or our other debts and deficits unless we have trade. But in a budget speech which occupies twenty-seven pages of Hansard, two pages are devoted to trade and the figures in connection with it. A budget should present some study of the trend of trade in this country of the various classes who are doing business here, of the possible avenues of trade and of the possibilities of developing the trade which we have. I find in the budget what I think is most fragmentary information. We have the total trade of Canada for the fiscal year; the comparative total trade from 1930 to 1934; the intra-empire trade for a year; comparisons between empire and United States imports and exports, and the only reference to international trade outside the United Kingdom is the total increase and the balance of trade. That is not enough for a budget speech of the Dominion of Canada; we ought to have a serious attempt to show exactly the condition of trade in this country and the possibilities of its development.

Anything there is in the budget speech with regard to trade seems to be aimed at this object and this only—to try, if possible, to justify the government's policy with respect to the shackling of trade and the imperial conference agreements. That seems to be as far as they go. The only reference which is made is this, and I am quoting:

> The beneficial effects of the empire trade agreements are shown in the expansion of intra-empire trade.

The minister winds up with this statement:

> These developments in our external trade have been distinctly favourable, reflecting the soundness of the policies which have been pursued in connection with the trade agreements, and testifying to the stability and efficiency of Canadian industry.

Again the trade agreements have been particularly mentioned. What are the facts? In the first place, with regard to the trade agreements and trade with the empire, as I tried to point out before in the house, the tendency is that way anyway; my hon. friends cannot get any credit because of the fact they happen to have these trade agreements signed in 1932, because the tendency of trade since 1930 and before has been for empire trade.

Some hon. MEMBERS: Oh, oh.

Mr. RALSTON: My hon. friends laugh. I have in my hand a publication issued under the authority of the present Minister of Trade and Commerce: Canada's Foreign Trade, 1933, and at page 15 it states:

> The tendency of Canada's trade quite apart from the trade agreements during the past three or four years has been toward a greater exchange of commodities with empire countries.

This was natural. In the last year the tendency has been more marked than ever. Why? Because of the rise in sterling, because of the increased purchasing power of British money; second, because of the prosperity of the British people and their getting back into the purchasing world again. Yet my hon. friend turns this to his own account and says that the trade agreements have brought about this increase. The fact of the matter is that any increase in trade between Canada and the mother country has been due to natural and economic causes.

Mr. MORAND: But the hon. member nevertheless voted against the tendency.

Mr. RALSTON: I did not vote against the tendency; I voted against my hon. friends pegging the tariff on 139 different articles in order to prevent trade with the rest of the world.

Let me point out what the statement of the Minister of Finance says with regard to the increase in trade. I take his own figures. I do not know that they are even as enthusiastic as the tendency indicated by the publication issued by the Minister of Trade and Commerce. I find this on page 2274 of Hansard: if we take the proportion of our exports

which went to the British Empire in the eleven months ended February 28, 1934, over those of the same period in 1933, they increased by the astounding percentage of ·83 per cent. That is exactly what my right hon. friend shows; in 1933 it was 46·83 per cent—I am reading from his own speech—and in 1934 it was 47·66 per cent. Now the proportion of our exports which went to the United States in that same period, according to the same statement—and this is the policy which according to him vindicates the tendency and the soundness of the policies of the government regarding empire agreements—increased by 3·03 per cent; in other words nearly four times as much increase to the United States.

As to imports, the proportion of our imports which came from the British Empire increased by 4·37 per cent; the proportion of our imports which came from the United States decreased by 3·18 per cent. Now let us see where the principle of bargaining comes in.

The basic principle of this government's policy was that you must bargain; you must get a quid for your quo every time. But the result of these figures is this: For the year ending March 31, 1934 we bought 3·7 per cent more of our imports from Britain than in 1933 and we sold them only ·83 per cent more of our exports. In other words, we increased our imports from them four times as much as they increased their imports from us. That is the quid pro quo we got as the result of our bargaining.

When my hon. friends opposite talk about bargaining, let us go back to the period from 1921 to 1930. The amount we sold from 1921 to 1930 to Britain and the empire was $4,057,000,000, when we did not have any Ottawa agreements at all to encourage any tendency or vindicate any soundness of policy. We sold them $4,057,000,000, and we bought from them only $1,823,000,000. Yet hon. gentlemen opposite know, and I am sure that some of them are perhaps shivering a bit now, particularly those who represent agricultural counties, that there is going to be an attempt made to revise the British trade agreements in June of this year. My hon. friends are going to find out that the three year schedule on certain agricultural commodities will be running out and that there is going to be an attempt made, as has already been indicated in the newspapers, to revise the schedules particularly with regard to agricultural products.

What about wheat? Wheat was the thing on which we were going to get a preference. The imperial conference agreements were going to be a great help to wheat. I quote Broomhall, March 10, 1934, showing the imports into Great Britain of wheat. The imports from Roumania in the season August 1, 1932, to January 31, 1933, were 9,000 quarters; the imports from Roumania from August 1, 1933, to January 31, 1934, were 255,500 quarters. That is Roumania. The figures for other countries are as follows:

Wheat—Quarters of 480 lbs.

	August 1, 1933 to January 31, 1934	August 1, 1932 to January 31, 1933
Roumania	255,500	9,000
Canada	4,408,000	7,364,500
Argentina	2,243,000	704,500
Australia	2,539,000	2,125,000
Russia	1,735,000	495,000

The imports, it will be seen, increased from every country except Canada. Of course, there are many other countries besides those given above, but those are the largest wheat exporting countries, and those are the actual results if hon. gentlemen opposite want to know the tendencies of the empire trade agreements. There is the situation so far as the import by Britain of wheat from this country is concerned.

Now, what else? The Minister of Finance says that whereas in 1931 the imports from Canada represented 3.8 per cent of Britain's total purchases from abroad, her purchases from Canada in 1933 amounted to 6.9 per cent of the total. That is a fair example of the minister's attempt to extract sunshine from cucumbers. The year 1931 is not the one he should take for comparison, but 1932, as the agreements did not come into force till October, 1932. In 1932 my hon. friend's figure of 3.8 per cent for 1931 had gone up to 6.1 per cent, and in 1933 to 6.8 per cent, or an increase of only .7 per cent with all these other factors working that I have indicated. In other words, Canada increased her trade in that market by a little over one-half of one per cent of Britain's total imports.

My hon. friend in his budget speech deals with the percentage increase of our exports to Australia, South Africa and British India. Our increase in exports to Australia, in millions of dollars, represent about six-tenths of one per cent of Canada's total exports. But the Minister of Finance makes a special reference to that, and another reference to our exports to South Africa and British India. Our increased exports to British India, in dollars, amounted to less than one-fifth of one per cent of our total exports, and to British South Africa our exports, which represented an increase, according to the Minister of Finance, of 72 per cent, actually figure out to an increase of less than one-half of one per cent of our total exports.

But what is rather interesting is that my hon. friend the Minister of Finance mentions an increase of 6 per cent in our exports to New Zealand. He did not look over on the other side of the page and tell us what our imports from New Zealand were. While our exports to New Zealand have increased by 6 per cent, our imports from New Zealand have increased by 148 per cent. I wondered what it could be that we were importing from New Zealand at this time.

Some hon. MEMBERS: Butter!

Mr. RALSTON: Surely not butter! Surely butter did not account for an increase of 148 per cent in our imports from New Zealand under this government. Everybody knows that with this government in power New Zealand butter was not to be mentioned; among christians, it was not to be spoken of except at low breath. Yes, there was an increase of 148 per cent in our imports from New Zealand, although that is not mentioned in the budget speech at all.

If I may be permitted to go back for a moment, I should like to indicate to my hon. friend from Stanstead (Mr. Hackett) that I was right in regard to the percentage payable under the wheat loan. At page 213 of the committee's report I find this:

> Q. I think Mr. Dodds, or somebody else, said the notes are demand notes?
> A. Yes, I was not positive.
> Q. What is the interest rate?
> A. 5½ per cent and they get—where they have a specially large deposit—they get credit, rate of interest of 4½ per cent.

Mr. HACKETT: The hon. gentleman will recall that he was speaking about the rate of interest allowed on the credit balance, and he said it was four per cent. I was privileged to correct him and tell him that it was four and a half per cent.

Mr. RALSTON: I accept my hon. friend's statement. I thought he was correcting me about the five and a half per cent, but he was speaking of the rate which was allowed on account of the deposits.

Mr. HACKETT: At page 136 of the proceedings of the banking and commerce committee.

Mr. RALSTON: Let us get it clear. The situation with regard to the wheat guarantee is this: The Dominion of Canada has guaranteed to the banks an account, which pays five and a half per cent interest to the banks on all borrowings. At times when there is a specially large amount on deposit an allowance is made by the banks of four and a half per cent interest on account of the credit balance.

I have been pointing out, Mr. Speaker, the references in the budget speech to the matter of trade. I do not want to pursue that very much further, except that I want to put on record what is not on record in the budget speech, namely the record of Canada's total trade, because we on this side of the house, regardless of what hon. gentlemen opposite are interested in, still believe in trade not only with the British Empire but with the world at large. The following figures of our total trade are from 1928 to 1934:

Year—	Imports	Exports	Total
1928	$1,108,000,000	$1,250,000,000	$2,359,000,000
1929	1,265,000,000	1,388,000,000	2,654,000,000
1930	1,248,000,000	1,144,000,000	2,393,000,000
1931	906,000,000	817,000,000	1,723,000,000
1932	578,000,000	587,000,000	1,166,000,000
1933	406,000,000	480,000,000	886,000,000
1934	433,000,000	585,000,000	1,018,000,000

So my hon. friend the Minister of Finance puts it rather prominently in his budget speech that there has been an increase in total trade, from 1933 to 1934, of $132,000,000. Well, it is pretty easy to get an increase if you start at the lowest point, which in this case is 1933. That was the lowest point in the trade of Canada since 1912, so it is possible to show some increase, and I am very glad indeed that this increase has come about. It is just the same as a patient with a temperature of 105; if that temperature gets down to 104½ the patient is improving, no doubt, but even under those conditions the patient is not altogether well.

[Mr. Ralston.]

The serious thing, however, according to the Prime Minister's past statements is this: I do not know anybody who talked as much about the Canadian people being hewers of wood and drawers of water and the exporting of our raw materials as the Prime Minister when he sat here as leader of the opposition. Will you believe me, Mr. Speaker, when I say that on looking up the record of this government I find that whereas in 1930 our exports of raw materials totalled 38 per cent of all our exports—and that was when my hon. friend was travelling all over this country criticizing us—in the year covered by this budget raw materials amounted to 45 per cent of our total exports. Hewers of wood; draw-

ers of water; giving away our patrimony; selling our inheritance for a mess of pottage—these were the expressions used in 1930 while to-day, under the gentleman who said so much about it in 1930, we have a 20 per cent increase in our exports of raw materials.

Now for a moment I should like to deal with farm products, and I think it will be agreed that some of these things should be dealt with in connection with the budget. The important feature to the people of this country perhaps is not so much the export of industrial goods or manufactured articles as it is the export of agricultural products, the products of the farm, the forest, the sea, and the mine. I find that notwithstanding the increase of $105,000,000 in exports, in 1931 the exports of agricultural products totalled $209,000,000; in 1932 they totalled $204,000,000 and in 1933 they amounted to only $198,000,000. In other words the increase in exports, which my hon. friend gave as $105,000,000, has not taken place in connection with farm products, but instead there has been a falling off. That brings me directly to this point: We are trying to assist in arriving at some kind of parity between the price level of agricultural and other primary products and the price level of other commodities. How are we getting on? In presenting his budget speech my hon. friend the Minister of Finance congratulated himself, I think, and this country on the fact that while the wholesale price index was rising by 13·4 per cent the index of farm products rose 34·9 per cent. But those are percentages of increase, not actual increases of the index figure; they do not indicate, as one might think, that the index figure rose by 34·9. In the first place the increase is due to the fact that, as in connection with the total trade of Canada, the minister started at the lowest point, which I think was February, 1933. Let me read to you what the position is with regard to the relative position of price levels as between agricultural and primary products and other commodities from 1930 right up to the present time.

	Farm products	Manufactured goods	Difference
July, 1930.. ..	79·8	85·8	6·0
March, 1931 . .	59·4	78·0	19·4
March, 1932 . .	52·6	71·5	19·6
March, 1933 . .	44·7	67·9	23·2
March, 1934 . .	56·5	75·0	18·5

In July, 1930, the spread was only 6 points, while in March, 1931, it was 19 points, and it is practically the same to-day. I am afraid my friend the Minister of Finance cannot give much comfort to the farmers by saying there has been an increase in the price level of primary products as compared with the general commodity price level. The point is that there is still that disparity of almost 20 points between those two price levels, and we will not have prosperity in this country until that gap is more nearly closed up.

The Minister of Finance mentioned the balance of trade. We have dealt with that on so many occasions that I need only take a moment at this time. My hon. friend rejoices in the fact that there is an excess of exports over imports of $142,000,000, and he says that does not take account of the export of gold, amounting to $90,000,000, thus intimating that there is a total favourable balance of trade of $232,000,000. Here again this publication put out by my hon. friend the Minister of Trade and Commerce does not seem to jibe with the statement of the Minister of Finance. I have in my hand an extract from a publication called Estimated Balance of International Payments of Canada, published by the Hon. H. H. Stevens, M. P., Minister of Trade and Commerce, Ottawa. Here I find a statement of the estimated balance, but it is not $232,000,000. Leaving out the detailed items I give the last two debits and credits. The exports are given as $1,216,200,000; the imports are given as $1,114,200, leaving a difference not of $232,000,000 as the Minister of Finance would suggest but of $102,000,000. Of course that is a difference of only $130,000,000, but what is that between friends? As a matter of fact the bureau of statistics, as the Minister of Trade and Commerce knows, regards this balance of trade as something of a fantasy; they have an idea that trade always balances eventually, that the total international payments balance, and they do rather a remarkable and, so far as the Minister of Finance is concerned, a shocking thing when they come to show the balance of trade at $102,000,000. Do you know what entry they make? They say, "Net errors and omissions, $102,000,000." They do that in order to balance up, because they do not regard this as a real balance at all. Of course, my hon. friend knows that the bureau of statistics, in publishing its statement covering 1926 to 1932, said:

> Balance of trade figures are frequently misinterpreted due to the persistence of the doctrine, long ago exploded, that a nation's trade is necessarily in a healthy state when exports exceed imports, necessitating an import of gold to make up the difference.

So we do not get much comfort out of that balance of trade. I have said before and I repeat that if you get a balance of trade by starving yourself, by restricting your imports or by not getting the things you should get in order that you may be comfortable, that you may have the necessities and perhaps even

some luxuries, then that favourable balance of trade is a bad thing. On the other hand, if the favourable balance is made up by increasing your exports while you are supplying your own necessities, by supplying the world at large and being able, from your abundance, to import, then the favourable balance of trade is a good thing. I submit to you, Mr. Speaker, that a favourable balance of trade which is produced by privation, by having to buy less, is not a good thing; the favourable balance of trade in which we all rejoice is the balance produced by the exhilaration of being able to sell more.

Now let me say a further word; I am still on trade, but I cannot leave this point, because it seems to me this is a state of affairs which even some of my hon. friends opposite do not seem to realize. What has this government done with regard to the increasing of the foreign trade of this country? I have already dealt with the imperial conference agreements and with the statements of the Minister of Finance in regard thereto. Let us now have a look at my friends' activities as the champion trade agreement makers. These hon. members opposite are the men who are really supposed to know how to make trade agreements and who, according to their own statements, have negotiated several very valuable ones. Of course, they frowned on the agreement with France made by the Liberal government; they said that was a poor agreement, one which worked against Canadian interests, and for that reason they cancelled it. They made agreements—how many do you say? They made three, outside of the imperial conference agreements. One was with Germany, another with Austria and the third with France.

Let us now see how much trade they have developed through their trade treaties. The order in council authorizing the treaty with Germany was passed March 31, 1933. In 1932 the exports to Germany were $7,700,000. In 1933 the exports to that country were $9,900,000, showing an increase in exports of about $2,000,000. If hon. members will take the trouble to look into those figures they will find that the exports making up the difference were largely wheat and metals, commodities which Germany needed. At the same time, however, there was an increase of $2,000,000 in exports to Germany, with imports remaining about the same.

Now, let us turn to France. That, by the way, is the treaty where a great improvement was supposed to have been made. In 1932 our exports to France were $14,000,000, while in 1933 our exports were $12,200,000. That is a falling off, instead of an increase in exports.

[Mr. Ralston.]

The old treaty expired in June, 1932, and because of that I have compiled the figures for a six months' period. I find that in the last six months operating under the old treaty we exported $8,500,000 of goods to France, while in 1932 when we had no treaty we exported $5,000,000. Then, in 1933, under this brand new, shining treaty of my hon. friends opposite we exported $6,600,000, or in other words $2,000,000 less than was exported under the old treaty.

What is the summary of the treaties and trade agreements negotiated by the present government? The summary is this: They sold $2,000,000 more to Germany than we did the year before the treaty was made, and $2,000,000 less to France. Oh yes, but there is another treaty to be considered—Austria; we have a treaty with Austria. Let us see what our trade with Austria has been. In 1932 exports to Austria were $8,900, and in 1933 under the treaty they were $13,900. In other words, there has been an increase of $5,000. To summarize, there is an increase of $2,000,000 to Germany, a decrease of $2,000,000 to France, and an increase of $5,000 to Austria. That is the contribution which my hon. friends opposite have made to world trade by their trade agreements.

Now, one thing more. Hon. members opposite have always been very keen, and laudably so, to show that Canada is doing better than anybody else. If that were true nothing could give us greater pride. However I feel that we ought to look at the facts, and see if my hon. friends opposite are correct in their assumption, because if Canada is not doing as well as other nations we should know it. I have before me three tables. May I state that I believe we are more deeply interested in exports. I have had a table prepared, taking the year 1928 as a basis, because I thought that was a fair year. The exports of each country for 1928 have been taken at 100 and then a comparison is made with the exports of 1933. With that in mind I have made up the index figure for 1933 representing exports of each country as compared with 1928 which I have taken as 100. They are as follows:

	Index figure of exports for 1933 as compared with 100 for 1928
Belgium	64.5
Germany	58.7
Japan	57.5
Italy	56.1
The Netherlands	50.4
France	49.4
United Kingdom	47.9
British India	41.6

And then, in ninth position, comes Canada, with the figure of 39·4. The United States is behind Canada, with the figure of 35·8; Australia 35·8 and New Zealand 35.

So hon. members opposite will have to look to their export trade more than they have been doing if they wish to show that as compared with the figures for 1928 Canada is increasing her export position. As my hon. friends opposite like to take the low points, let us compare the export figures for 1932 as compared with those for 1933. In these foreign trade figures showing increases in exports of 1933 over those of 1932 we find that Canada is sixteenth on the list . Australia is first with a percentage of 35, and Canada sixteenth with the figure 7·6. That is Canada's position in increases in exports as compared with 1932.

We have always boasted that Canada has been fifth in total world trade. She did hold that position in 1930. In 1932 however Canada was seventh and in 1933 she took ninth position. Last year, Canada's export position was fifth, and this year she is sixth. In imports Canada was last year in eighth position and this year she is in ninth.

The point I am trying to drive home, if I can, by the use of these figures is this, that my hon. friends opposite have completely neglected the development of world trade. In the first place, they are shutting themselves in behind a tariff wall, and in the next place they have adopted some sort of economic imperialism which seems to be filling their hearts and minds, a policy which I am afraid is going to prove a delusion. They are neglecting the opportunity—because there is an opportunity—to develop trade with the world at large. The figures show it, and I commend them to the consideration of my hon. friends the Minister of Finance and the Minister of Trade and Commerce.

I had intended at this point to deal with the matter of revenues, but I do feel that I ought to bring home to the Minister of Finance the point which I have made before but which, like some other points I have made, he does not seem to have caught. I refer to my suggestion of making customs duties a source of greater revenue than they are at present. I have pointed out to my hon. friend that in past years customs duties have been used to good effect in producing revenue which could be used to run the services of the country. The following figures will serve to indicate the percentage of our total revenues made up by customs duties:

Year—	Percentage Per cent
1928	45
1929	49
1930	49
1931	46.7
1932	39.8
1933	28

And this year, I am sorry to say, only 24 per cent of the total revenues collected was made up of customs duties. Why? Because my hon. friends opposite have put up such high tariffs that they have virtually created an embargo, with the result that goods do not come in and therefore are not subject to duty. He is feeling the effects of the law of diminishing returns. As I pointed out at the beginning of my remarks, he cannot possibly overtake the diminution of customs tariffs. In 1931 the Prime Minister said he was going to secure a certain revenue from customs duties. However he was $22,000,000 short, because at the special session of 1930 he raised the tariffs. In 1932 the present Minister of Finance guessed he was going to get $100,000,000 from customs duties, and received only $80,000,000, because of higher duties imposed. In 1933 my friend guessed again and said that $72,000,000 was the most he could expect from customs duties and, owing to the increases in tariff which had taken place, as I said a while ago, he received not $72,000,000 but $65,900,000. All this is in spite of what my hon. friend calls expanding trade. All this is in spite of the fact that according to hon. members opposite the country is doing better. The fact is that our revenue from customs duties is going down.

Let me give my hon. friend an example of how the duties that they have put on have hurt our exports. This government put on sharp increases of tariff against the United States. The United States put on an import tax of $3 and a duty of $1 against our lumber. The result was an imposition of four dollars against us. We then to find a market for our lumber included it in our treaty with Great Britain. What has occurred in connection with our timber exports to the United States due to the high duties which were put on against that country? In 1930 we exported to the United States $26,000,000 worth of planks and boards; in 1933 we exported only $6,000,000 worth of planks and boards, a drop of $20,000,000. My hon. friends think we got a market in the United Kingdom. In 1930 we exported to the United Kingdom $5,500,000 worth; in 1933 we exported $7,600,000 worth. We had a gain of $2,000,000 to the United Kingdom but we lost $20,000,000 in exports of lumber to the United States. That is what happens in retaliation for our high duties. The same thing has happened in connection with imports. Duties have not been collected because goods have not been coming in. As I have said before, our hon. friends are creating a vicious circle. In the first place they are cutting off the market for our producers' goods; in the next place they are cutting off the revenue from customs duties because no goods are coming in in exchange

for those producers' goods; in the next place they are imposing a tax on the man who has lost his trade. These extra taxes have to be imposed to make up the loss.

One cent has been taken off the sugar tax. I should like to read the remarks made by the Prime Minister when the government of which I happened to be a humble member took off the tax on tea. He quoted Mr. Lloyd George's speech, and then in Hansard of 1930, page 1830, he said:

> I commend that to the government opposite: Go and tell the housewife that you are taking the duty off tea now; that last year you took the duty off cheques, parlour and sleeping car tickets; and that this year you are taking the duty off tea on the eve of an election. I cannot without having before me the figures express any opinion with respect to the condition of the revenue generally but I should say that if there is one war tax in all the world that should have been dealt with as soon as possible it was the tax on tea. Every member of this house will say that. But, as a matter of fact, the government had not seen fit to take the tax off tea until now, on the eve of an election. Who will say, in the words of Lloyd George, that there was no bribery in that? Those were his words, not mine.

At the most there is only one year more before an election and so my hon. friends are getting ready to meet the housewife and say to her, "We have taken off one cent of the tax on your sugar bowl."

I should like to deal with the tax which has been placed on gold. My hon. friend is endeavouring to make up his revenue by imposing a tax which has created a good deal of alarm all over the Dominion of Canada and particularly in certain sections. Let me say to him that I do not think there is an industry in Canada which has attracted so much United States capital in the last two or three years as the gold mining industry. The Minister of Finance has said that he is anxious to attract United States and English capital. We are proud of this industry. It is one which has created a demand for skilled and unskilled employment; it has created a need for timber, steel, dynamite, chemicals, machinery and many other things in connection with its operations; it has created a need for fuel, food, clothing and other household supplies on the part of those employed in the mines. This industry has supplied a good deal of the freight and a good deal of the passengers carried by our railways. It has supplied an opportunity for development to the power companies and has been the cause of new hydro-electric enterprises being brought to completion. This industry has been one of the most important of any industry we have in the production of wealth. There is no need of a sales agent to dispose of its product, as there is a ready market. There is no question of price, as the price is fixed. We in this country have been able to pay a good many bills and to buy many of the things we have bought from outside, such as cotton, rubber, fruits and manufactured goods, with the gold produced by our mines. These mines are taxed already. The mines themselves pay a corporation income tax while the shareholders pay the income tax which is imposed upon individuals. My hon. friend now proposes to impose a further tax because of the artificial increase which has occurred in the price of gold.

There is something in the argument which he puts forward. I do not suggest that the tax is wholly bad by any means but I am suggesting that there seems to be a lack of appreciation of the fact that there are other industries in this country which have been able artificially to increase their prices because of government action. These industries have not been placed in the same category with the gold mines. The consumer pays an increased price because of government interference with other industries of this country, but no extra tax is being imposed on them. Outside of the two major points which I shall mention in a moment, there are other features which give difficulty in connection with this tax. First, it is discrimination against a particular industry and, second, it is discrimination against particular sections of Canada. All parts of Canada do not get the benefit of gold mines. The little province which I have the honour to represent has done some gold mining but to a very limited extent. We hope to have further developments. There is gold mining done in Quebec and there is a great deal in Ontario. Manitoba has some while British Columbia has a good deal. One or two of the western provinces have produced traces of gold, while we all know what has been done in the Yukon. Generally speaking, the bulk of this taxation will fall upon two or three sections of this dominion.

My hon. friend was in this position: He had put his duties up so high that he could not get any money. He did not want to continue the two-cent sugar tax, but where needs must, the devil drives. He had to get money from somewhere, and he said, "We will call on the gold industry." Had we been in the corner in which he is, we might have done exactly the same thing but I can assure him that we would not have done it in the same way. We would not have made the same proposal which he made in his budget

speech. In the first place, he taxes production and not profits. I say to him that he cannot possibly justify a tax which discriminates between a mine which can produce an ounce of gold from seven or eight tons of ore and another mine which can produce a similar quantity from only three tons. In the case of one mine it may cost $29 to produce an ounce of gold while with another mine, it may cost $31. Regardless of this my hon. friend is proposing to tax everything received above $30 an ounce up to 10 per cent of the gross price received, I say that that is wrong and it cannot be justified. The low-grade mines will be paying a percentage beyond all reason when compared with other mines producing a higher grade ore.

Let me put an example on the record. Assume that it costs a mine $14 to procure an ounce of gold. They obtain $35 for that gold, giving a profit of $21. The tax will be ten per cent of that $35, or $3.50, which means sixteen per cent of the profit of $21. Another mine producing low grade ore finds that it costs $31 to produce an ounce of gold. That gold is sold for $35, giving a profit of $4. In this case the tax is the same, ten per cent on the $35, which leaves a profit of only fifty cents per ounce. The tax amounts to 87½ per cent of the profit. Now can the Minister of Finance justify any such taxation as that? My hon. friend to my left has suggested that in the case of some mines this tax will mean bankruptcy and the closing down of operations. Assume that it costs a mine $32 to produce an ounce of gold; that mine would have a profit of only $3 per ounce while it would be taxed $3.50 per ounce on the gold it produces; it would have a loss of fifty cents on every ounce of gold it produced. That means bankruptcy. And what does that mean? It means that the mines which are giving the most employment, providing an opportunity for supplying the greatest amount of material, the mines which require the handling of the greatest amount of ore, and the mines that are least able to pay are taxed the most—taxed out of existence. It is absolutely unfair and inequitable and cannot possibly be justified.

Secondly, let me point this out—and I appeal to the Minister of Finance, because he and I come from the same province. The hon. gentleman knows that in our own province particularly the mines there are in process of development now, and the little gold that is being produced, while it is being realized upon, is not providing money to be used in profits. Dividends are not being paid but the money is being turned back into the mines for purposes of development. I submit therefore that they should not be taxed, but they will be taxed under this provision, because 10 per cent of production is taken. My hon. friend ought to have special consideration for these mines. I believe that the tax in its present form is inequitable and indefensible, and will do incalculable injury to the dominion. It was none other than the Prime Minister himself who on March 27, 1933, as reported in Hansard, page 3424, with regard to the gold mining industry, made a statement which I think might very well be quoted on this occasion. He said:

> This country at the present moment has reached a margin of borrowing which, under the ordinary rules that govern, according to the books, is almost its maximum borrowing power unless you have a rapidly increasing population or great natural resources that are being rapidly developed. That is the reason that the increase in gold production in this country has added relatively so greatly to confidence in the country. And the reason is obvious.

But my right hon. friend undermines confidence when he taxes the gold mining industry in this inequitable fashion and shuts down the very mines that would do most good in the development of this country. Let me refer to a statement made by the Minister of Mines (Mr. Gordon), a member of this government, at Quebec, at a meeting of the Canadian Institute of Mining and Metallurgy. This is what he said as reported in the Canadian Northern Miner of April 12, 1934:

> "I should like to touch on the policy of the dominion government toward taxation of mining profits," the minister said. "Some hold to the belief we should exact from the industry, particularly from the gold producing companies, a greater share of their profits. But which is the better course? To maintain stable taxation and thereby afford greater development of our gold resources with consequent greater return to the dominion's exchequer or to discourage this development by thinking up ways and means of deriving greater taxation from the industry? As I stated before foreign capital is in large measure supporting the ever-increasing number of prospectors and others investigating our gold possibilities.
>
> It is obvious then any undue stricture placed upon the profits of gold mines would result in Canada, as it has in other countries, in the slowing up of the stream of speculative money needed for gold mining development."

That was what the Minister of Mines had to say, and I suggest that the mining men of this country had a right to take it from that statement that the minister, as a member of the government, was intimating that the industry would not be taxed as it is at the present moment. I am sure that they did draw that inference. It was an assurance from

the Minister of Mines which this government would do well to honour.

I wish now to say a word in regard to the provision respecting coal. I can only say that I have endeavoured to find out what effect the change in the regulations in connection with drawbacks will have, but I am afraid the matter will have to be left until we reach the committee stage when we can ascertain exactly how much coal is affected. I understand that the change made with respect to coal under item 1049 is that the drawback, which was previously 99 per cent of the duty, is now altered to 50 per cent, but that the incidence of the drawback, the benefits under it, will now be extended to gas retort plants as well as to by-product coke ovens. That means that you have an increased duty by 50 per cent and at the same time you may have an increase by 50 per cent in the number of those who are entitled to the benefit of the drawback. That will have to be left to the committee stage, when one can make intelligent observations on it. If it means that there is to be a further restriction with regard to competing American coal, then so far as I am concerned, coming as I do from Nova Scotia, I welcome it because if there is to be a policy of protection of natural products, the products of Nova Scotia as well as of other provinces should be protected, particularly in view of the national interests which exist in connection with the preservation of the mines of that province.

Let me now mention only generally the tariff as dealt with in the budget. I am not going into the items; I do not know enough about them, and we shall have an opportunity, in committee on ways and means, to discuss them. Generally speaking, I take it that they are pretty nearly what they appear to be, minor adjustments in the tariff. I am sorry that they do not seem to represent any decided change of heart, any rightabout face on the part of the government with respect to tariff matters. I find that peanut oil, beads, harps and cricket balls are all dealt with, and these articles would indicate the generally frivolous nature of most of the tariff items.

But what I do wish to refer to particularly is a matter which I regard as of much more importance than the individual items in the tariff, a matter of principle, and that is the appointment of the tariff board and the question of the decisions of that board, as well as the way in which this government should honour the findings of the body which it has appointed to deal with tariff matters.

I brought up in committee of supply the other evening the jute twine matter, and I feel I ought to put the salient points on record in connection with the discussion of this whole subject. Two years ago we appointed a tariff board. The Prime Minister intimated that he wished to secure the best tariff board he could get, and he went afield to find the man best qualified for the position of chairman. I find in Hansard of 1933, page 4836, this statement made by the Prime Minister with regard to Mr. Justice Sedgewick, the chairman of the board. The Prime Minister said:

> When we have to go to the bench for the purpose of securing an appointment, we do not do so because they are judges as such, or because I happen to be a member of the legal profession, but because in the very nature of things we must endeavour to secure for the positions the best talent we can command, with the idea in mind that not only will Canadians be proud of the appointment, but that those from other lands who come before that tribunal will say: Here is a man who discharges his duty in a manner worthy of the great traditions that belong to those who sit in judgment upon matters affecting the interests of the country as a whole. . . . If the committee were interested I could give the names of members of the profession who said: You must not take this man from us; he is the most brilliant and the best qualified of the judges we have had for years on our bench in the trial division and in connection with bankruptcy. . . . May I make just one or two other observations with respect to the matter? I knew that in time of stress and strain this house might not think this the most desirable thing to do; yet I say to my colleagues in this House of Commons that canvassing the situation in its entirety and looking over the field in every part of the dominion from the Atlantic to the Pacific I know not where I could secure an appointee who would so fuly measure up to my conception of the ability required to perform the tasks imposed upon him under the statute as the gentleman who has been selected.

The Prime Minister was speaking there of the present chairman of the tariff board. In the debate—I have not the reference—the hon. member for Gloucester (Mr. Veniot) asked the Prime Minister whether he did not think it would be better to have the customs board retain their jurisdiction in the matter of appeals rather than have the appeals go direct from the appraisers to the tariff board. The Prime Minister intimated in the debate that he considered this bill provided the preferable way, namely, that appeals should be made directly from the customs officials, appraisers, to the tariff board.

A case came up before the customs officials and it was this: jute twine was being imported from Great Britain. Jute twine had, with other articles, been subject under our tariff to the provision of section 43 of the Customs Act which permitted the Minister

of National Revenue to make an arbitrary valuation for duty purposes of goods coming in. In other words, jute twine was subject to what we call the dumping duty by reason of the fact that the minister was able to put an arbitrary valuation on the invoice. In November, 1932, we passed a statute amending our act and in view of the imperial conference agreements, we excepted from the provisions of section 43, goods coming in from Great Britain, so that after that date the minister was not permitted to make an order fixing a value for duty purposes or, in other words, he was not permitted to impose the dumping duty.

An order of jute twine came in; it was referred to the customs officials and notwithstanding the fact that the act had been amended in 1932, those officials held that the old order the minister had made still applied; they imposed a value for duty purposes on this particular shipment of jute twine and it was subjected to dumping duty. The matter was taken to the tariff board on appeal as was provided for at the time the legislation constituting the board was passed by this house. A decision was given; in fact, there were two decisions. The tariff board on October 30, 1933, decided that the dumping duty did not apply to goods coming from the United Kingdom because the statute of 1932 expressly exempted British goods from that dumping duty. That decision was made by the tariff board and handed down on October 30, 1933. Did the government accept that decision? They did not. Did the Department of National Revenue accept the decision? They did not. Did they keep on imposing dumping duties? They did; notwithstanding the fact that their own board, headed by the gentleman who is mentioned by the Prime Minister in the passage I have just read, handed down a decision that they should not impose the dumping duty, they kept on doing so and not until after February 10, 1934, did the government accede even sufficiently to say: Well, while this matter is under discussion we will not insist on the dumping duty being paid. I have in my possession, not here, but in my office, a letter written by the Department of National Revenue on February 10, 1934, telling the shipper that he has still to pay the dumping duty, notwithstanding the fact that the tariff board handed down their decision on October 30, 1933. That was not based on the ground that there was a serious question of law involved; I have been unable to find a single legal officer of any description who has given the opinion that the tariff board were wrong in their decision in that respect. Second, I have been unable to find anybody, although I have asked the minister pretty persistently, who could suggest there was an appeal from the tariff board to the governor in council, although an appeal was at least pro forma taken in order to hold things up.

Mr. MATTHEWS: Would my hon. friend read that letter of February 10, 1934?

Mr. RALSTON: It is in my office.

Mr. MATTHEWS: I am not sure that he has interpreted it correctly.

Mr. RALSTON: I shall be glad to bring it down. If, when my hon. friend's estimates are up, he will bring down those opinions of the legal officers, I shall be glad to bring down this letter. Has my hon. friend a copy of it before him?

Mr. MATTHEWS: Yes.

Mr. RALSTON: I would be glad if he would read it.

Mr. MATTHEWS: Let my hon. friend go on with his speech.

Mr. RALSTON: I would like my hon. friend to read the letter. I do not want to say anything unfair. It seems as if the letter meant what I thought it did.

As a matter of fact, that is the situation with regard to the decision of the tariff board and the government prior to February 10 declined to accept th t decision. Since then they have issued a circular in which they have intimated that while the matter is on appeal or at least referred to the Supreme Court of Canada, they will not impose the dumping duty, but that importers must be prepared to amend their entries should an adverse decision be handed down. Let me point this out: The appeal to the Supreme Court of Canada is not an appeal in connection with the matter which the tariff board decided. The board decided that the dumping duty could not be applied on a British shipment on account of the statute of November, 1932. What has gone to the Supreme Court of Canada? The reference to it is; did the tariff board have authority to decide that? They leave to one side entirely the question whether the tariff board were right in their decision; they are endeavouring only to test the authority. Does any importer care anything about the question of authority? Who ought to decide the question of the authority of the tariff board? It seems to me it is this parliament. Did we intend to give the tariff board authority to act in place of the customs board? If we did, we should say so by legislation and not by going to the Supreme Court of Canada.

Mr. GUTHRIE: Might I interrupt my hon. friend for a moment? I think he knows full well that the very questions which he is discussing now so ably and eloquently are to be argued to-morrow on behalf of all parties interested on the question submitted to the Supreme Court of Canada, and I would think, if my hon. friend has any criticism to offer in regard to the government or anybody else, it would be well for him to reserve his remarks until the estimates of the Department of National Revenue are before the house, rather than to discuss the matter when this question is pending as it is before the Supreme Court for argument to-morrow.

Mr. RALSTON: I am not discussing the legality of the reference; I am discussing the futility of making a reference to the Supreme Court of Canada. I submit with all deference it was simply eyewash to make a reference to the Supreme Court in connection with questions which could have been decided by parliament. Either the government intended that the tariff board should have authority to decide these questions, or they did not, and there is no need to go to the Supreme Court to have that decided. Let the government come to parliament and propose to have the act amended. The real question which was not submitted to the Supreme Court is: Is there a dumping duty against British jute twine? Did the tariff board decide properly when they made their ruling?

Mr. GUTHRIE: That question arises out of the question submitted.

Mr. RALSTON: I do not know whether my hon. friend had anything to do with framing the question submitted.

Mr. GUTHRIE: I certainly did.

Mr. RALSTON: The question is: Had the tariff board authority to decide? It was a very ingeniously put question. The question that should have been submitted to the Supreme Court was whether the tariff board were right or wrong in their decision, but the government have seen fit to submit not that question, but whether the tariff board have the right to make the decision, thus leaving entirely aside the merit of the decision itself in which, after all, not only are the importers interested but, I would think, the jute twine firms on the other side. Surely in connection with a matter of that kind my hon. friends opposite who are so anxious to promote the imperial conference agreements, would consider it a matter of honour that the provisions of those agreements which propounded that any dumping duty or exchange duty should be done away with as soon as possible should be carried out. Yet I find my hon. friends carrying this thing along, paying no attention to the tariff board decision, charging importers this dumping duty just the same as before and doing everything they can to be just as niggardly as possible in complying with the provisions of the imperial conference agreements, and, secondly, making all the trouble they can for the business people of this country. That, however, is not half as important or serious as that the government of this country should in the face of a decision made by a tribunal appointed by itself, treat it with absolute contempt, indeed, such contempt as could be punished as such if it were committed by an ordinary litigant before a court. They pay no attention to the decision, and thus hold the tariff board up to possible ridicule or at least to the reflections of people generally who say that evidently the board has not much standing; or at any rate the government does not pay any attention to it. I submit that the action of this government in connection with the tariff board in the jute twine case cannot be too strongly condemned by anyone who wants to see any stability in this country in connection with tariff matters.

The other case was the so-called "tin plate" case. Tin plate was being imported into this country. The Ojibway plant had said that they were closing down; in fact, they had closed down. The question was, whether tin plate which was being imported into this country by the canners, was after the Ojibway plant had closed down goods of a class or kind made in Canada. The customs people decided that it was, notwithstanding the fact that they had a letter there stating that the Ojibway plant was closed, and no other plant was operating here. Nevertheless the customs people decided that tin plate was a commodity of a class or kind made in Canada, because they said: There may be some on somebody's shelves, or it may be made some time, or perhaps it has been made. Therefore it imposed the 20 per cent duty and the dumping duty, instead of 15 per cent. That affected the fish canners, the fruit canners, and everybody in this country who used tin plate. The decision was handed down in that case in December, as far as I can remember, after the most strenuous efforts on the part of representatives of this government to keep that case dragging on before the tariff board. The first time they appeared and asked for one month's adjournment—I think that is right although I am not sure how long the first adjournment asked for was—but the second time the representatives of the government

asked for a three months' adjournment. For what? In order that they might look into the question of the imperial conference agreements and find out whether tin plate was being manufactured in Canada. There was only one possible plant and that was at Sarnia where investigation could be made, and could be made promptly. The application was made for a three months' adjournment notwithstanding that in the meantime the importers in Canada would have to pay 20 per cent and the dumping duty. The tariff board did not grant three months' adjournment, but granted one month, and the board on December 12, made an order and said that tin plate was not a commodity of a class or kind made in Canada, and the dumping duty was not applicable. But it took two months before the customs issued an order with regard to that and decided that the tariff board decision had to be accepted at least for the period from June to December.

I cannot understand what the explanation is. But I say it does not speak well for the government, and it constitutes a reflection on the tariff board which they should not be under. It is injurious to the commercial interests of this country and contrary to the idea of the stability of tariff policy, because after all the Minister of Trade and Commerce in days gone by used to talk about the necessity for tariffs and import regulations being stable and being definite and certain. Apparently the government were trying to secure that by the appointment of this tariff board, but now when they get decisions they do not like they immediately disregard them. What sort of example is that to this country and to the other litigants appearing before the tariff board?

So I say, Mr. Speaker, that in the first place the government for nearly four months have refused to follow the decision of the tariff board with respect to the jute twine case. They have disregarded the decision of the tariff board of October 30, until very lately. Secondly, they have refused to follow the decision of the board in a similar case with regard to felt hats, which I have not mentioned. Thirdly, they have no opinion that an appeal lies from that decision. They have no opinion that the decision is not correct. Fourthly, in the tin plate case the government refused to accept and flouted the board's decision for two months at least. I say this is wrong because it wears out business people. It is not fair to the commercial community. It is wrong because it is not in keeping with the imperial conference agreements, and I say it is especially wrong because it discredits a board appointed by this government itself, and to which the people of Canada look for some stability in connection with tariff matters.

I have not dealt, Mr. Speaker, with all the matters which are contained in the budget but as I intimated to my hon. friend the Minister of Finance, I hope I have demonstrated to him that at least there are some things about the budget of which I do not approve. After all I have said, Mr. Speaker, the most condemnatory criticism to be directed against this budget is that it shows that the government has neither the courage nor the capacity to follow through with their policy of trade restriction which was boastingly inaugurated at the special session of 1930. They have sown the wind and they are reaping the whirlwind. They find that Canada is not the only country which can restrict imports. They find, as a result, that Canada's former customers refuse to buy. They went into this trade war with the insane idea that they could give nothing and get everything by virtue of some heaven-sent superiority in commercial intelligence. The result is that the policy of strangling trade has increased costs of production to our farmers, fishermen, miners and lumbermen and, at the same time, the demand for their goods has been curtailed with a consequent drop in the prices of their products.

Having accomplished this tragedy in a country which depends so largely on exports of the farm, the forest, the mine, and the sea for its purchasing power, they—like Mark Twain who, in one of his stories, got his hero into such a fix that he said someone else would have to finish the book—now are forced to fall back on "the automatic working of fundamental economic forces," as they call it, to get them out.

Let there be no mistake, this country is now on the "dole" so far as export trade is concerned.

The problem is to bring about parity between the prices which the farmer and the other primary producers receive for their goods and the prices received for other commodities.

The Finance Minister, last year, deprecated economic nationalism. I remind you, Mr. Speaker, that economic nationalism for Canada began with the advent of the present government into power and they have constructed a "Frankenstein" which threatens to destroy them. At the special session of 1930 the Prime Minister held out shining hopes of the imperial conference which he was to attend in London. The net result was summed up in that descriptive comment "humbug". In

1932 my hon. friend the Prime Minister told us to look forward to the imperial economic conference at Ottawa for relief. Relief did not come. In 1933 he hoped that a world economic conference might save us. That conference is dead. They now supinely await for the working out of "present economic trends", surely a curious position for a party which was going to blast Canada into prosperity.

We must face the fact, Mr. Speaker, that the continuance of present policies has made it absolutely necessary to adopt no uncertain methods to bring about a parity between the price level of agricultural and other primary products and the price level of other commodities and it is quite possible that the government of the day may be driven to drastic action in bringing about such a parity. A further consequence of continuing present policies might well be the necessity for the state to take the primary producer's surplus off his hands at a minimum price and market it abroad in a manner which will serve to increase, rather than to diminish, our total trade. This may be radical and this may appear to be artificial but it is a logical and almost inevitable consequence of a perpetuation of the economic nationalism to which this government has committed Canada.

I still believe, and those around me believe that it may not be too late, even yet, to extricate ourselves by paying attention to fundamentals. This country is in a different position from any other to promote export trade. There ought to be, and I still believe there could be an ordered and sensible readjustment of our fiscal policies, paying attention to the necessity for buying if we want to sell; at the same time giving our producers the purchasing power which comes from being able to dispose of their goods. Then we would have the home market for manufactured goods which has been talked about, but which has never been achieved by the present government. There need be no radical dislocation of business and industry, but there has to be a radical change in outlook and attitude, and whatever hope there may have been that this government would see the error of its ways, is shattered by the confession of helplessness contained in this budget. It is the climax of four years of inaction in which this country has been allowed to take the "shot and shell" of depression without the government attempting a single constructive operation, except counselling the troops to have courage and patience.

The Prime Minister repeatedly intimates that this and that can not be done. The trouble is that the budget is woefully lacking in proposing anything which can be done, but the back and shoulders of Canada are near the breaking point under the strain of present conditions, and the great currents of business are dammed and stagnant by reason of the policies of this government. Armies on both our flanks have, by active, aggressive measures, succeeded in driving depression back, and just now the government, cautiously peeping over the parapet, suddenly discovers that the enemy is retiring and the Minister of Finance indicates to his apparent surprise that,

> . . . it is now clear—that in several countries it began as early as the summer of 1932, and in the United Kingdom, even earlier.

And so they sit down on the fire step and complacently propose that we wait for the "automatic working of fundamental economic forces" and the effect of "present economic trends," which "are in the direction of further progress."

What is really needed is a persistent, determined, planned drive to clear the field. Can anyone question that Canada's success in that drive depends in no small degree on the development of her export trade? The Minister of Finance despondently tells us that:

> International trade remains at a low level. Little, if any, progress has been made in removing the excessive interference with trade, the arbitrary quotas, the exchange controls and the other defensive measures which have been designed to meet the dangers of currency depreciation and unfavourable balances of payments.

I ask him what his government has done to undo the injury caused by its own policy of shackling Canada's trade by these very measures to which he refers. Admittedly, Mr. Speaker, we have gone so far that we cannot retrace our steps all at once, but it is because this budget does not give a sign of even halting, let alone turning right-about face and marching in the other direction, that I regard it as the most hopeless and discouraging budget speech which has been delivered during the four years of this parliament.

The reassuring aspect of the matter is that, judging by the results of five by-elections, climaxed by South Oxford, the country will, at the earliest opportunity, remove this government from power and register unmistakably its opinion that its policies have proved a disastrous and costly failure for the people of this dominion. The people of Canada realize that the self-complacent, static attitude of mind reflected by this budget has already lost to Canada opportunities and prospects which will take her years to recover. They know

now that every day under the policies of the present government means so much lost ground which must be later regained, and they look forward eagerly to a general election to return a Liberal government to carry out—as Liberal governments have repeatedly done in the past—the task of recovery and reconstruction. And so I beg to move, Mr. Speaker, seconded by the hon. member for Vancouver Centre (Mr. Mackenzie), that all the words after the word "that" be struck out and the following substituted therefor:

> This house regrets that the proposals of the Minister of Finance give no indication of the intention of the government to abandon the policies of economic nationalism which have proved so disastrous to Canada's trade.
>
> It is of the opinion that the immediate substitution therefor of policies which will promote export trade throughout the world is essential to any permanent improvement of conditions in Canada, and to the successful application of other policies respecting credit and employment designed to effect this end.

Mr. J. S. WOODSWORTH (Winnipeg North Centre): Mr. Speaker, the hon. member for Shelburne-Yarmouth (Mr. Ralston) will not expect me, I am sure, to follow his very lengthy criticism. I must say that although it took a good deal of time for him to make his address I really do not find that I have any very concrete idea of exactly wherein his criticism lies, and I do not know that the amendment has clarified the situation very much. It is in such very general terms that one can make almost anything or nothing out of it.

Some hon. MEMBERS: Why don't you cross the floor?

Mr. WOODSWORTH: Some hon. gentlemen here ask why I do not cross the floor. As a matter of fact some of us have been in this corner while two or three successive governments have crossed the floor.

The budget speech contains a general survey of financial conditions in Canada, and although it also covered a great deal of ground I think there are two or three outstanding points of which the general public ought to be made aware. First of all, and in my judgment very significant, is the increase in net debt during the year, on all accounts, of $135,200,000. I fancy the government is precisely in the position that any private business or individual is in; when you have to borrow money to pay interest on what you owe you are indeed in a bad way. It does not make much difference if the rate at which we are going into debt is a little less this year than it was last year; the fact is that this year's deficit is simply piled on top of last year's deficit.

We are also told that the reduction in controllable expenditures cannot go further. Looking to the future that does not give us a very great deal of hope. The reduction in controllable expenditures cannot go further, and I cannot but think of the hardship that has been caused by the reduction to date and the fact that very essential services have had to be curtailed or cut off entirely. On the other hand we are told that the increase in uncontrollable expenditures is bound to continue; that is, we have a debt which is expanding and on which the interest necessarily must increase also from year to year. So that is the unsatisfactory state of the country as a whole; we have controllable expenditures cut to the limit and uncontrollable expenditures bound to increase in the future.

I think one paragraph in the budget speech ought to be read into Hansard, because it summarizes the situation very well. It appears on page 2283 of Hansard:

> In the year which has just closed, such expenditures—

This excludes the amounts required for the railway deficit and unemployment relief.

> —totalled $364,000,000. Of this amount, $230,000,000 was required for purposes classed as uncontrollable and $134,000,000 for controllable. In other words, out of every $100 expended $63 went for expenses designated as uncontrollable and $37 for services that are ordinarily regarded as controllable. The main services under uncontrollable are interest on public debt amounting to $139,700,000; war pensions, $41,700,000 and treatment and after-care of returned soldiers, $9,500,000.
>
> These three items alone account for 83 per cent of the expenditure included under the category of uncontrollable.

And perhaps it should be added that the cost of administering the public debt is not included in uncontrollable expenditures. The only comfort the Minister of Finance gives us is that the burden of our public debt is not beyond the capacity of our people to pay. That is, he joins with the Prime Minister in asking the common people to tighten their belts.

Now we come to the taxes imposed through which we are to meet the proposed expenditures. I am pleased to find that there is a reduction of one cent per pound on sugar. The stamp tax on postal notes issued in the amount of one dollar and under is reduced by one cent. I suppose small mercies should be thankfully received.

Mr. GARLAND (Bow River): A one cent budget.

Mr. WOODSWORTH: It might very well be called a one cent budget. To make up for these very slight reductions on one or two

items we have the tax on gold. Again, that we may have this clearly before us, I should like to read the paragraph dealing with this tax:

To replace the revenue lost by the reduction in the tax on sugar, it is proposed to levy a tax of ten per cent on gold. In this connection one must keep in mind the fact that since our abandonment of the gold standard the price of gold in Canadian currency has risen from $20.67 an ounce to approximately $35. This is an increase in the selling price of the product of our gold mines of about 70 per cent. Furthermore, the extraordinary increase in the profits which accordingly accrue to gold producers find its origin in circumstances entirely external to this particular industry. That is to say, the reason for this increase in price is to be found in the chaotic conditions of world currencies, the depreciation of our dollar in the foreign exchanges and the devaluation of gold by certain countries.

These gains to the gold miners are classed as "fortuitous gains." I commend the Minister of Finance for so clearly pointing that out—fortuitous gains. One of the least satisfactory portions of the speech to which we have just listened is that dealing with the proposed tax on gold.

Mr. BRADETTE: Does that apply to all the gold mines?

Mr. WOODSWORTH: The financial critic of the opposition has suggested that this tax means a discrimination against a particular industry. Well, I would point out that that is true of all our indirect taxation. Our whole tariff schedule means that particular industries are singled out for taxation, so there is nothing new in that contention. Further than that, it is suggested that it is discrimination against particular parts of the country. That, too, is true under our present system of taxation. Wheat is grown in one part of the country and furniture is manufactured in another part. Undoubtedly it might be said that any indirect taxation of that kind is a discrimination against some particular section of the country. Further it is suggested that the budget does not take into account the variations in the grades of ore and costs of production. I do not believe it is common that such variation should be taken into account. If we did fully take them into account it would be a bonusing of the marginal mines. Since this enormous gain in the value of gold is entirely a fortuitous gain—and I think that cannot be gainsaid—my question is: Why take only ten per cent? Why not take the entire fortuitous gain? I can see no reason why that should not be done. Gold is in a different position from any other commodity, since owing to governmental action it has become the measure of all other commodities. It is in an unique position. And if owing very largely to governmental action we have turned over millions upon millions of dollars to the people who at the present time have control of gold mines, and that action has meant to them an increase from $20.67 an ounce to $35, there seems no reason why the public should not gain the advantage of such increase. Of course, some one will say that would mean that certain mines would not be able to gain as much as they are doing to-day, that certain lower grade mines would be discriminated against, that a certain number of men would be turned out of work, and so on. I know there may be all these objections, but they apply equally in any taxation of this kind, because a good many industries have been put out of business through the very high taxation placed upon them in the purchase of the raw materials required for their products. Personally I think that if gold is as necessary in the carrying on of our trade as everyone seems to imagine, the only permanent solution would be for the government to take over the gold mines. They could then keep the miners at work on a reasonable wage scale; they would then be able to collect this fortuitous gain instead of turning it over to private individuals.

I note that there is no change whatever in the income tax. I am glad that it has not been lessened, but it does seem to me that the income tax ought to be a source of much greater revenue than it is at the present time. There is no reason why it should not be more steeply graded. Only a few days ago I noticed a very interesting editorial in the Gazette of March 19 headed, "On the Income Tax," and based on an article in the National Revenue Review. Since this editorial appears in such a highly respected journal, I believe I may read a paragraph or so:

Whilst the Canadian considers his income is too heavily taxed, he may find it intriguing, if not consoling, to compare his payments under this heading with the income tax the citizen of Great Britain pays. In Canada a single person in receipt of an income of $2,000 a year is liable for $30 income tax. A married man receiving a like income is exempt from payment. Single persons whose annual incomes are $5,000 pay $180 income tax and married persons $120. The scale continues as follows:

And then follows a table which I shall not give in detail. It will be noticed however that in case of higher grade incomes the British people are able to collect almost twice as much as we collect from similar grades in Canada. I would suggest that those people

who are so very anxious to copy British institutions might very well copy some of the British policies with regard to income and inheritance tax.

Mr. RHODES: Would the hon. member permit a question? In making his last observation has he borne in mind the circumstance that the British people pay only one income tax, while in Canada in many instances we have three?

Mr. WOODSWORTH: I recognize that fact, but I do not believe it alters the situation in the slightest. It might mean that the man who pays an income tax would have to pay a little bit more, but the principle is that great wealth ought to carry a very large proportion of the load. That is not being done either in our provincial or federal spheres. That is, the grading is not nearly as steep in this country as it is in Great Britain. With regard to taxation I should like to give to the house the plank in our C.C.F. platform outlining our policy in that connection. It is as follows:

11. Taxation and public finance!

A new taxation policy designed not only to raise public revenues but also to lessen the glaring inequalities of income and to provide funds for social services and the socialization of industry; the cessation of the debtcreating system of public finance.

The explanatory note reads:

In the type of economy that we envisage the need for taxation, as we now understand it, will have largely disappeared. It will nevertheless be essential, during the transition period, to use the taxing powers, along with the other methods proposed elsewhere, as a means of providing for the socialization of industry, and for extending the benefits of increased social services.

At the present time capitalist governments in Canada raise a large proportion of their revenues from such levies as customs duties and sales taxes, the main portion of which falls upon the masses. In place of such taxes upon articles of general consumption, we propose the drastic extension of income, corporation and inheritance taxes, steeply graduated according to ability to pay. Full publicity must be given to income tax payments and our tax collection system must be brought up to the English standard of efficiency.

We also believe in the necessity for an immediate revision of the basis of dominion and provincial sources of revenue, so as to produce a coordinated and equitable system of taxation throughout Canada.

An inevitable defect of the capitalist system is the debtcreating character of public finances. All public debts have enormously increased and the fixed interest charges paid thereon now amount to the largest single item of so-called uncontrollable public expenditures. The C.C.F. proposes that in future no public financing shall be permitted which facilitates the perpetuation of the parasitic interestreceiving class; that capital shall be provided through the medium of the national investment board and free from perpetual interest charges.

We propose that all public works, as directed by the planning commission, shall be financed by the issuance of credit as suggested, based upon the national wealth of Canada.

I should like to take this opportunity to suggest that there are certain economies which are not dealt with by the Minister of Finance and which I think should be considered by the country as a whole. Having in mind the general Canadian situation, I think first of the possibility of combining some of our provincial administrations. I can see no reason why the expensive arrangement under which we have three maritime provinces and three prairie provinces should be continued. It would seem to me that we might very well combine the maritimes and the prairie provinces, and thus cut down part of the load which is being carried by the people of this country.

As another example I would call attention to the enormous expenditures in connection with the administration of justice. The number of judges in this country is out of all proportion to the population. I cannot see why the speech of the Minister of Finance should not be made the occasion for considering some of these extravagances in the administration of our affairs. There are certain ways in which we could promote efficiency and at the same time cut down expenditure. Why should not our estimates be considered in appropriate committees? The government will have to undertake to initiate such reforms. I am glad to note that the Prime Minister (Mr. Bennett) has suggested that the time is coming when there should be a revision of the British North America Act under which there might be a redistribution of the powers as between the dominion and the provinces. Here again I wonder if I might be permitted to read the proposals of the C.C.F. in this matter. They are:

9. B.N.A. Act:

The amendment of the Canadian constitution, without infringing upon racial or religious minority rights or upon legitimate provincial claims to autonomy, so as to give the dominion government adequate powers to deal effectively with urgent economic problems which are essentially national in scope; the abolition of the Canadian Senate.

Then the explanatory note is as follows:

We propose that the necessary amendments to the British North America Act shall be obtained as speedily as required, safeguards being inserted to ensure that the existing rights of racial and religious minorities shall not be changed without their own consent. What is chiefly needed to-day is the placing in the hands of the national government of more power to

control national economic development. In a rapidly changing economic environment our political constitution must be reasonably flexible. The present division of powers between dominion and provinces reflects the conditions of a pioneer, mainly agricultural, community in 1867. Our constitution must be brought into line with the increasing industrialization of the country and the consequent centralization of economic and financial power which has taken place in the last two generations. The principle laid down in the Quebec resolutions of the Fathers of Confederation, should be applied to the conditions of 1933, that "there be a general government charged with matters of common interest to the whole country and local governments for each of the provinces charged with the control of local matters in their respective sections."

The Canadian Senate, which was originally created to protect provincial rights, but has failed even in this function, has developed into a bulwark of capitalist interest, as is indicated by the large number of company directorships held by its aged members. In its peculiar composition of a fixed number of members appointed for life, it is one of the most reactionary assemblies in the civilized world. It is a standing obstacle to all progressive legislation, and the only permanently satisfactory method of dealing with the constitutional difficulties it creates is to abolish it.

It does seem to me that if the government would make a thorough survey of the situation which exists to-day in Canada, it might reduce considerably the enormous burden which, according to this budget speech, will continue to be borne by the people.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. WOODSWORTH: In this budget, as in most recent budgets, a very considerable proportion of the expenditure is on what is known as uncontrollable expenditures. May I point out that these expenditures are not really uncontrollable; they are uncontrollable only in so far as the government in power is determined to maintain the status quo. The financial critic of the government, who preceded me, called attention to the possibility of converting our national debts. We ought to have impressed upon this house the remarks made by the Prime Minister himself before the committee on monetary, and financial questions at the imperial conference of 1932. I quoted them in my speech on the address, but I think they cannot be too clearly put before the public. The right hon. gentleman said:

> Interest charges represent the most important of the fixed or semi-rigid elements in our cost structure. If prices remain on their present level, such charges will constitute an intolerable or almost intolerable burden in many cases. Even if it can be borne, the fortuitous gain—

May I direct attention to that phrase, which is also used in the budget speech this year.

> —the fortuitous gain to the creditor of 40 to 48 per cent in general purchasing power above what he contracted for appears to be a grave injustice.

The Prime Minister clearly recognized the injustice of permitting bondholders and others who hold mortgages in this country to receive from 40 to 48 per cent more than they should, but he has done nothing about it. This budget continues that arrangement, and all we are told is that these expenditures are uncontrollable. To continue:

> One of the most important effects of the fall in prices is the increased burden of the fixed charges payable on our governmental and private obligations held abroad, chiefly in the United States and the United Kingdom. . . . As one dollar to-day will purchase at wholesale 48 per cent more than it did in 1929, the real burden of the service charges on these foreign obligations has increased from $362,000,000 to $535,750,000.

These expenditures are said to be uncontrollable, but there seems to be no reason whatever why we should not deal with our debts, cutting them down at least to the point where they have the same buying power as they had when the debts were contracted. The Prime Minister admits that this would be fair but nothing is done about it. It is suggested by the Minister of Finance that we could not contemplate cutting down the debts, making any change in the bonds held by people outside Canada. I understand however that the great proportion of the bonds are held by people inside Canada, and they at any rate can be dealt with; and as regards those held outside, I might point out that a great many nations including Great Britain have in effect cut down their debts in this way.

The Prime Minister told us the other day that in raising the resources he is not actuated by party considerations. That may be true, but I think that the budget clearly demonstrates that he is actuated by class considerations, because from beginning to end the taxes rest most heavily proportionately upon the poor and least heavily upon the very wealthy; and I think it is fair to say of this budget, as of several preceding budgets, that the effect is to make the rich richer and the poor poorer. We believe that the taxation policy should be used to lessen at least in some degree the glaring inequalities of income. On the contrary, the taxing powers are here being used to increase that glaring injustice and to make

life still more intolerable for the poor, while the poor man passes over through interest charges a very considerable amount of his earnings to those who are already rich.

The Prime Minister the other day defended tax-exempt bonds on the ground that they represent absolute stability and security. I should like to ask him—What about the stability and security of the masses of the people? They have nothing of that stability and security to-day. The great majority of our business men do not know what to do in order to carry their small overhead; they do not know what day they will be faced with bankruptcy; and as for the labour men, they are not secure even in the opportunity of making a living.

It is very delightful indeed to witness a godfather presenting a child with a thousand dollar bond. The Prime Minister would not like in any way to deprive us of the pleasure of enjoying that very pretty picture, but I submit that there are a great many people to-day who are losing their homes and farms. I fancy nearly all of us have received the most pathetic letters from friends throughout the west where at most a few hundred dollars would save them their homes. But they have not that money and so they are losing their farms, essentially, as my hon. friend from Bow River (Mr. Garland) says, in order that we may pay these interest charges and thus maintain the stability and security of certain classes.

The Prime Minister the other day pointed out the danger of impairing the resources of estates in trust, all those estates that were used in caring for the sick, the afflicted or for scientific research. But I would point out that there are a great many sick not provided for in this land. And what about even the children in our public schools who have not an opportunity of carrying forward their education, some of them not having even the chance of an ordinary decent life. In this connection I would read two or three paragraphs from an article in a recent number of The Canadian Forum on economic conditions in rural Saskatchewan by G. E. Britnell. He is summarizing and interpreting the final bulletin No. 19 of the seventh census of Canada. He says that 5,036 out of the 288,000 farms of the prairie provinces have water piped in the kitchen; or, reduced to more manageable proportions, that only one out of every 57·2 farms in western Canada enjoys this convenience, while in Ontario the corresponding ratio is one out of every 9·54. He points out that in the west one out of every 72·8 has water piped in the bathroom—it would be interesting to know how many have a bathroom of any kind—as compared with one out of 15·76 in Ontario. One out of every 34·44 western farm homes is lighted by gas or electricity as compared with one out of 5·95 in Ontario. That shows the entire lack of what in the cities would be regarded as absolute necessities. The article continues:

> The average farm home in Saskatchewan showed few signs of extravagance in the small cheaply-built frame house, the inexpensive but uncomfortably primitive heating system, the coal-oil and gasoline lamps, the cheap and inadequate furniture and the almost total lack of domestic conveniences.

And still further:

> Fresh fruit was the greatest possible luxury while farm children seldom saw oranges from one Christmas to another. Over wide areas of the province medical facilities were inadequate; after the prairie trails had disappeared, the roads, when once the traveller left the few half-graded dirt highways, must have been among the worst in the world; the cultural life of the farm community tended to continue as barren as that characteristic of all agrarian frontiers.

And again:

> Official figures illustrate graphically the extent of the financial collapse. For instance, it is reported "that forty rural municipalities, fifty villages and twenty-seven towns have defaulted in their debenture payments. In addition 828 rural school districts, 225 village school districts and forty-eight town school districts have defaulted in the payment of their debentures. . . . " The bank indebtedness of rural municipalities at the end of 1932 was $8,379,548.97; the amount due schools, et cetera, for the requisition of taxes amounted to $8,120,615.71; the uncollected arrears of taxes plus the tax sale holdings (which must be added to get a correct statement of total arrears) amounted to $30,368,345.82.

And so forth. The article goes on to tell of the hardships of the farmers and of the very serious conditions which exist at the present time. My point is simply this: that whilst we talk grandly of maintaining the credit of the country, these deplorable conditions prevail in certain sections. Why is it so important to continue to pay not only one hundred cents but well on to one hundred and fifty cents on the dollar in real purchasing power to maintain those who hold bonds and to take it out of the pockets of people who have to live in conditions such as I have described?

The other day when I looked over this budget it reminded me somewhat of that old biblical story where the taskmasters of Egypt

required the people of Israel, who were practically their slaves, to make bricks without straw:

And the taskmakers hasted them saying, fulfil your works, your daily tasks, as when there was straw.

To all protests Pharaoh replied:

There shall no straw be given you, yet shall ye deliver the tale of bricks.

I might say that our modern Pharaoh insists on double the tale, as I have just explained. In fact, sometimes in this pressure that is being exerted, this tightening of the belt policy, the present Prime Minister (Mr. Bennett) and his cabinet are something like Rehoboam of the old days who, following the counsel of the young men, declared:

My father made your yoke heavy, and I will add to your yoke.

Tighten your belts. The answer of the people was:

To your tents, O Israel.

I may win some applause from my friends the Liberals when I remind them that the people rejected Rehoboam as their king.

The Prime Minister has a curious mentality and I refer to him because it seems to me that this budget incorporates some of the principles he has been giving us from time to time in the house. The other day, speaking in connection with titles, he said:

God has not given equal ability to all men and women. They are not all equipped with the same power of thought or with the same intellectual power.

Therefore it would seem, if I read aright his deductions, that some ought to be given titles and greater wealth, greater privileges of all kinds than others. I wish I could impress upon the government and the Prime Minister the fact that wealth to-day comes very largely through the possession of special privileges. Some few people have got charters and leases and all that kind of thing and in that way the owners of those special privileges have made their money. Withdraw the special privileges and they would be in the same boat as the rest of us.

The other day I was reading an article showing the gradual extension of powers which all governments are now being forced to take to themselves, and how the assumption of new responsibilities meant reorganization. The article to which I refer is called Politics versus Economics and I especially ask my Liberal friends to read it. It is by Gustav Stolper in Foreign Affairs for April, 1934, and reads:

[Mr. Woodsworth.]

But once the state comes into possession of the decisive instruments of power in capitalistic economy—money and credit—it at once finds itself becoming responsible for prosperity and depression.

And again:

Budget policy, tax policy, credit policy, currency policy—all go to make up one indivisible unit. Anything done in any one of those departments has its effect on all the others. As master of taxation, the state is in direct control of a large portion of the national income; as master of railroad and public utility rates the state is in direct control of another large portion of the national income; as master of the credit markets the state has indirect command over investments; this state therefore cannot avoid taking currency under its control.

The article was referring particularly to the necessity of the state taking currency under its control and that, I am glad to say, is being done more or less under the bill introduced in regard to the Bank of Canada Act, although under that legislation currency still remains under private control. I should like to emphasize that we can no longer judge a budget by the same standards as we judged budgets some years ago. The government itself is having to assume very much greater responsibilities for the affairs of the nation and we have a right to expect that the government will be very largely responsible for initiating those policies which will lead to prosperity. The trouble, as I see it, is that the present government has not done anything that would fundamentally alter the existing economic system.

May I close by quoting a passage from an excellent elucidation of the findings of the Bureau of Economic Research. This is contained in the letter of the National City Bank of New York of April, 1934. Mr. Walter Lippmann summarizes the findings in this way, and I think it very well summarizes the budget as well:

From 1929 to 1932 there was a great decline in the total national income. But in the course of this decline salaries and dividend payments fell slowly at first. Interest payments fell very little. Among labour incomes salaried men were favoured as against wage earners, and of course wage earners as against the unemployed. Relatively speaking, property incomes increased. . . .

The figures show that the depression was not like some great accident, say a shipwreck, in which all suffered alike. They show, on the contrary, that the sacrifices were very uneven, and that worst of all, though nearly everybody was poorer, the distribution of wealth became progressively more and more unequal, taking the greatest toll from those who already were the weakest, and far greater toll from the active producers of wealth than from the recipients of fixed or sheltered incomes.

Could any words better describe this budget? It takes the greatest toll from those who already were the weakest, and far greater toll from the active producers of wealth than from the recipients of fixed or sheltered incomes.

Mr. SAMUEL GOBEIL (Compton): May I be permitted, Mr. Speaker, first to offer my sincere compliments to the Minister of Finance (Mr. Rhodes) for the able manner in which he has presented to the house his budget. We all know that preparing the budget is a very difficult task, and whoever has that charge certainly deserves the congratulations of all the members of the house, regardless of party politics. I have pleasure therefore in joining those who have preceded me in offering to the minister my sincere congratulations.

I intend to confine my remarks practically to one subject, but before turning to it I wish to say just a few words to express my approval of the tax on gold. In my estimation that tax is very equitable. As the hon. member for Shelburne-Yarmouth (Mr. Ralston) said this afternoon, the government has a certain amount of taxation to levy, and in my opinion that particular tax is one that will command the approval of a great majority of the Canadian people. The price of gold has advanced over fifty per cent in the last few months, with prospects of rising to an even higher level. So I think the Minister of Finance and the government deserve our approval for this tax, which relieves the citizens generally of some measure of other taxation.

I now come to a question which I consider one of the most important problems—indeed I think I can well say the most important problem—with which this government has to deal. I refer to the national railways. I do not intend to discuss the railways from the technical aspect, because I do not feel qualified to do so; I shall consider the question only from the point of view of the ordinary taxpayer who has to put his hand in his pocket to provide for the railway deficit of this country, and who would like to form an opinion as to whom he should hold responsible for the situation in which he finds himself. Ever since I came to this house in 1930, every time the railway question comes up for discussion and anyone on this side suggests that the previous Liberal administration was largely responsible for the present situation of the government railways some hon. member on the other side gets up and contends that both parties were equally responsible. As our hon. friends opposite have a strong press all over the country I think it is only fair that I should refer back some years and try to place the responsibility to a certain extent at least, in order that the taxpayers may be able to form their opinion as to which political party is really guilty of the great wastage of money which to-day threatens the economic structure of Canada.

While it may be quite true that both parties have authorized the spending of public money for the construction or extension of railway lines or the granting of privileges to railway companies which should not have been granted, my contention, and I think the conviction of the public, is that those who led the people to believe that this great venture would be realized at very little cost to the Canadian exchequer were the guilty parties, especially if they did not take every precaution to ascertain the probable cost of what was being undertaken. With that view let us consider for a few minutes the position taken by the two political parties in Canada in 1903 when the construction of the Grand Trunk Pacific was decided upon. I shall first quote a few paragraphs from the speech delivered by the then Prime Minister, Sir Wilfrid Laurier, when he presented the bill for the construction of the Grand Trunk Pacific. These words I quote because they give a very good idea of the state of mind of the then leader of the government when he embarked on that enterprise. In the course of the speech made in introducing a resolution for a bill to provide for the construction of the Grand Trunk Pacific on July 30, 1903, Sir Wilfrid Laurier said, as reported at page 7659 of Hansard:

> To those who urge upon us the policy of to-morrow, and to-morrow, and to-morrow; to those who tell us, Wait, wait, wait; to those who advise us to pause, to consider, to reflect, to calculate and to inquire, our answer is: No, this is not a time for deliberation, this is a time for action. The flood of tide is upon us that leads on to fortune; if we let it pass it may never recur again. If we let it pass, the voyage of our national life, bright as it is to-day, will be bound in shallows.

The next paragraph which I wish to quote refers to the Intercolonial. I wish to draw the attention particularly of hon. members from the maritimes on both sides of the house to these words, found at page 7660:

> I know very well that amongst those who oppose our policy there are a good many who maintain that it is sufficient that such a road should be constructed from Quebec westward to the Pacific ocean; that there is no need whatever of extending that railway from Quebec

to Moncton because, between Quebec and Moncton, there is already the Intercolonial railway. Sir, the answer which we have to make to this objection is plain, obvious, categorical, peremptory and paramount; the answer is that the Intercolonial never was intended, and never was conceived, and never was built for transcontinental traffic.

The next quotation I am dedicating to the citizens of Canada so that they may consider whether or not the predictions made by Sir Wilfrid Laurier at the time have become realities. It is at page 7676 of Hansard of the same year:

We are told that we are keeping to ourselves the unproductive portion of the road, while we are leaving to a company the productive portion of it. This criticism might have a good deal of force in it if we were ourselves to operate the line which is to be built by the government. But we have made a contract whereby this line is to be operated, not by ourselves, but by that company, which agrees to pay us a rental at the rate of three per cent per annum upon cost of construction. Therefore, let our friends on the other side of the house, and let our friends on this side of the house also, take note of this fact, that with the exception of a few years of interest, to which I shall allude later on, we shall have this portion of the railway built by the government from Moncton to Winnipeg without the cost of one dollar to the Canadian people.

Later in the course of the same speech, and following the same line of thought, at page 7688 Sir Wilfrid said:

I need not dwell upon the importance of this covenant on the part of the company. It practically takes away from the guarantee of the government all risk. There is not a dollar to be advanced by the government. We do give our credit and nothing else. And our guarantee of seventy-five per cent of the construction of the road is to be supplemented by the credit and all the backing of the Grand Trunk Railway Company itself.

And again, at page 7690:

Now, sir, what is the liability incurred by the government for the construction of this road from Winnipeg to the Pacific ocean? Assuming that the road across the mountains is 600 miles long, the cost of construction will be $18,000,000 and the total interest for three years will be $3,780,000. This is the whole of the liability which is incurred by the government for the construction of the railway from Winnipeg to the Pacific ocean.

And at page 7691:

The sum total of the money to be paid by the government for the construction of that line of railway from Moncton to the Pacific ocean will be in the neighbourohood of $12,000,000 or $13,000,000, and not a cent more.

And again at page 7695:

Therefore the cash aid which was given to the Canadian Pacific Railway Company was in the neighbourhood of $60,000,000—the cash subsidy which is promised and which is to be given under this contract to the Grand Trunk Pacific Company will not exceed $13,000,000 or thereabouts.

[Mr. Gobeil.]

This is the sort of information the leader of the government of that day broadcast to the citizens of Canada in order to have them endorse the project he was then furthering. Every hon. member of this house remembers that the then Minister of Railways, Hon. Mr. Blair, resigned his position as minister because he could not approve of the project. Let us see what reasons he gave in support of the decision to which he came on that occasion. At page 6739 of Hansard for 1903 it will be found that Mr. Blair said:

I objected to the government constructing another government road from Levis to Moncton. I objected to it because it paralleled the Intercolonial railway. However, I will not enter upon any elaboration of that point; I will merely state my position. I object to another government road, even if it does not parallel the Intercolonial railway. We in the province of New Brunswick are not asking for it, unless there are some who want to see the money spent there, and that class of people, I apprehend, are not a class who will influence largely the action of this government or the legislation of this parliament. Another objection was that I thought we were proceeding with undue haste. I have no hesitation in stating that I am as much in favour of the construction of another transcontinental line as any other member of this parliament; but I am not in favour of impetuously rushing into the construction of a transcontinental line from Quebec through an unknown country to Winnipeg and the west, until we know something about it—until we have the fullest information about it. The project is one of very great magnitude, and should be dealt with only after the maturest deliberation.

Now, sir, without having this bill before us, without being able to do more than simply indicate the order of events, I am going to state now to the house what occurred in connection with my resignation. On Saturday, the 4th of July, I became convinced that it was determined to build a line of government railway from Moncton to Quebec, and to proceed at once with the construction, without surveys, from Quebec to Winnipeg; and, sir, feeling convinced, knowing, in fact, that what my right hon. friend has stated to-day was then decided upon, I caused it to be made known that that policy, not to speak of other features which will be elaborated later, was not a policy to which I could commit myself as a member of the government.

Are not these words very significant, after our experience of the last thirty years? I am not going to make any further comments just now, but will quote another short paragraph from Sir Wilfrid Laurier's speech on that occasion. I refer to page 6747:

Allow me, in conclusion, to express to you my extreme sorrow for an action which I

regard as a great mistake toward yourself, toward your friends, toward your colleagues, and above all towards your country, which, at this juncture, requires a bold and fearless policy of transcontinental development.

At page 6748 Mr. Blair replied:

I do feel that when my right hon. friend says I made a great mistake toward myself, toward my friends, toward my colleagues and toward my country that he is speaking the honest convictions of his mind. But, sir, if I am capable of exercising any judgment on a matter of this kind, I am bound to say that I do not agree with my right hon. friend. I am bound to say that if I had come to this parliament, and, with what little knowledge and experience I have had of railway questions deliberately advised this parliament and this country that this was a scheme which merited their acceptance, I do not believe I should have been doing my duty to myself. I should not have been doing my duty to the party with which I am allied. It was my plain and simple course to let them know at the earliest possible moment, and to let the public know also, how strongly I felt, as a responsible minister of the crown with respect to this important question. My strong conviction is that this country cannot wisely adopt and carry into operation the policy which my right hon. friend's government has adopted.

When sending his resignation to Sir Wilfrid Laurier on July 10, 1903, no doubt after he had been asked to reconsider his decision, in order to avoid any misunderstanding and any delay Mr. Blair wrote this letter, which will be found at page 6743 of Hansard:

With the most extreme regret, Sir Wilfrid, I feel compelled to tender you my resignation, which I have to beg you will hand to His Excellency without delay. This resignation you must treat as final. The action which has been taken since Saturday last, in submitting to a caucus of suporters of the government in parliament the transcontinental railway propositions, identically in the form in which they were adopted by council, assures me that the government has fully resolved to take the responsibility of asking parliament to approve them.

In case you may think the action which has been taken is not irrevocable, and to avoid any possible misunderstanding on the question, I feel I ought to repeat to you the conditions upon which I would be disposed, if you so desired, to further consider my action in this matter.

I would require that the government should abandon its present intention:

1st. Of building or authorizing the building of a line of railway to Moncton, which would be paralleling and destroying the Intercolonial; or building or authorizing the building of any other line of railway more remote from the Intercolonial until the need of such latter railway becomes apparent, and proper surveys and an estimate of its cost are first made and thoroughly considered.

2nd. The idea of immediately proceeding with a railway from Quebec to Winnipeg. The government should be content with declaring itself in favour of the policy of building a government line from Quebec to the prairies, and across the prairies to the Pacific coast, as soon as the need shall arise; and in the meantime that parliament be asked for an amount to enable a thorough exploration of the country to be made, so that it might be possible to judge whether or not a suitable traffic producing route could be found through this district, and its cost and the character and conditions of the country through which it is to pass ascertained.

I would further stipulate:

3rd. That if such a route is found practicable, and gave promise of a fair measure of traffic a railway should be built by government through, if the government should so decide, a commission, rather than by the government itself directly, and that a contract for such construction should be let only after open and public competition.

4th. That when built and ready for operation, such railway should not be handed over to any one existing railway company under lease; but that the same should be operated either by the government itself, through a commission appointed for the purpose, if so preferred, or by a trust composed of the representatives of the different railways which might intend to use it under direct government supervision and control; and that such form of dealing with the question of operation or management should be decided later after a fuller knowledge of the facts and mature deliberation.

5th. That the policy of giving a present guarantee or other aid to the company to build a railway in continuation of the Quebec-Winnipeg line through the fertile prairie district, the most valuable and promising section of the whole system, should not now be entertained, and that the final decision of the matter be deferred until it became reasonably clear that settlement along the probable route of such railway would justify its construction.

These words were uttered in this house thirty years ago. Are they not very illuminating in view of what has taken place in the interval? Can there be any doubt in the mind of any member of this house, or, for that matter, of any citizen of Canada, as to which of the two gentlemen I have quoted was clearer in his conception of what was to happen in the future?

Let us see what the leader of the opposition of that day, Sir Robert Borden, had to say about this project. It is not my intention to quote his speech at length, because the time at my disposal does not permit me to do so. In his capacity as leader of the opposition he opposed the bill on different grounds, the first being the lack of information at the disposal of the government which had launched upon an enterprise of such magnitude. His second ground was because it paralleled the Intercolonial railway, as pointed out by the Minister of Railways, Mr. Blair, and because he believed it would curtail its business. His suggestion was to extend the Intercolonial railway to the great lakes, and from there to the prairies, to improve the existing lines. I shall not give more details,

because the facts are well known. I shall quote only a few paragraphs from his speeches, with his concluding remarks. Speaking of the estimated cost of $13,000,000, he is reported at page 7712 of Hansard as follows:

And the right hon. gentleman—

Referring to Sir Wilfrid Laurier.

—presented the most delightful and pleasing spectacle to the country of a road built from the Atlantic to the Pacific costing this country only $13,000,000. As a matter of fact, add $50,000,000 or $65,000,000 or perhaps $75,000,000 to that and you get some idea of what this project—brought down without deliberation, brought at the end of the session, brought down in a hurry—means to this country.

Then at page 8975, with regard to the extent of the information the government possessed as to the country through which the railway was to be built, he said:

Did you ever hear of a railway company contracting to build a line through a country about which it had no more information than the government have about this country?

It may be remembered also that this was one of the principal reasons invoked by the Hon. Mr. Blair at the time he sent in his resignation. Concluding his speech, Sir Robert Borden is reported at page 8993 of Hansard as follows:

Mr. Speaker, the opposition might well content itself with stating generally the objections to the policy of the government, but, in view of the importance of the question it is essential that an outline of our policy should at least be stated. In the first place I say that I believe this is a question upon which any political party in Canada should obtain the best possible expert assistance and advice and it would be our policy, by commission or otherwise in the speediest possible way to obtain that advice and assistance so as to be able to act upon broad lines, upon reasonable lines and with due inquiry, with due promptitude and at the same time with due caution and deliberation.

Then at page 9005:

Now, let me say in conclusion, that this that I have stated is in outline the policy I would be prepared to adopt. I will take the advice of the experts in the department of Railways and of the best experts in Canada, and, if necessary, of the best experts that this continent or any other continent can produce. But subject to that advice, I would be prepared to proceed along the broad lines I have proposed. Consider my proposal as contrasted with that of the government.

1. It combines prompt action with deliberation and caution.

2. It develops and does not throttle the Intercolonial.

3. It takes account of the expenditure upon the Intercolonial and upon the inland waterways, and brings those great national highways into harmony with our project. The lake route, the St. Lawrence, the canals and our great railway systems are joined by the policy I propose in one harmonious whole, whereas the policy of the government ignores the waterways, takes no account of the lake communication—cuts off the very Intercolonial railway on which this country has spent $70,000,000 and on which this government have spent $15,000,000 for the purpose of doing the very thing which I am advocating in this house.

4. It develops transportation along the lines of least resistance, that is to say, by water and by water and rail.

5. While connecting at the same time all the great railway systems in Canada, it controls in the only effective way the carriage of Canadian products through Canadian channels, by enabling the people's railway to compete for this traffic.

6. It affords immediate relief to the congestion of the west by bringing the Grand Trunk railway into Winnipeg without delay, and

7. It insists that further railway development in the west shall not only give necessary competition in settled districts, but shall open and develop new country.

Can there be any doubt as to which of the two political parties is really responsible for the two billion and a half dollars debt of the railways that this country has to carry? True, as I have already mentioned, that when the Conservative party took office seven years later they may have had to advance money on lines which should not have been built. But, sir, they had to do it. The work was then proceeding and could not be abandoned. The arm was caught in the cogs of the wheel, and as the machine could not be stopped the body had to go through. Let me remind the house and the country that the politicians of that day were not the only responsible persons. We had then, as we have now, business men who are always ready to blame politicians in times of crisis but who, under normal times, do not hesitate, in the effort to serve their own private interests, to ill advise the politicians.

It is a well known fact that on that occasion Sir Wilfrid Laurier followed the advice of the president of the Grand Trunk railway, and some of his associates. I believe that in justice to Sir Wilfrid I must make that statement. And to the same kind of politicians who to-day are preaching economy and urging the government to make reductions in expenditures to an impossible degree, because they forget that two-thirds of government expenditures are uncontrollable, let me say that until such time as they have put their own house in order and, referring especially to the pulp and paper industry, until such time as those so-called business men who seem deliberately to have wrecked an industry of which we Canadians should have almost a monopoly show their willingness to put that industry back on its feet, not by more manipulation, not by selling more stock to the public, but by extracting from it the watered stock

and reducing capital values to a proper point, the sincerity of the advice of such men will be very much suspected.

The time at my disposal is now limited, and for that reason I must shorten the observations I had intended to make. In a few words, however, I should like to draw a parallel between the record of this government and that of the one which immediately preceded it. Between the years 1921 and 1930 what has been the attitude of the Liberal party towards the government railways? Have they tried to curtail expenditures? Have they profited from the experience of the first thirty years of operation? Sir, I state deliberately, no. They brought a man from the outside and caused him to be paid the royal salary of $150,000 per year. Naturally the salaries of other officers had to be levelled up to compare with his. Under his management hundreds of millions of dollars were wasted in purchasing branch lines and in building luxurious hotels for which there was no need, in operating a steamship service on the Pacific ocean which cost Canada more than $60,000,000 and which had to abandoned. During the last year of their regime and just before the general election Canada was committed to expenditures amounting to over $250,000,000. That was the heritage passed on to this government. Without exaggerating, this is the record of my hon. friends during the nine years of their regime.

What did this government do when it was confronted with such a situation? As soon as it could be done, they got rid of the man who had apparently decided to bankrupt this country. Through their representations and those of the new board of directors, the salaries were adjusted on an equitable basis. Over $1,000,000 per year has been saved by that one item. They stopped the foolish expense of having radios on trains which were costing hundreds of thousands of dollars. They brought about a saving of $850,000 in the travelling expenses of officials. As I said, the boat service on the Pacific coast was terminated, and although the efficiency of the road was not lowered, the expenses were reduced by nearly $100,000,000 during these three and one-half years.

This is what the present government has accomplished since 1930 in connection with the railways. These economies were made in the best interests of Canada and in the best interests of the employees of the railway. It should not be overlooked that if these economies had not been brought about the employees of the road would have been faced not just with reduced wages but with the prospect of no wages at all. But what whispers do we hear now? Do hon. friends opposite give the government at least some credit for all this? Far from it, sir, because on every occasion both inside and outside the house—and the hon. member for Kenora-Rainy River (Mr. Heenan) is especially good at this—they try to poison the minds of the employees with the suggestion that this government is against the national railways and wants its amalgamation with the Canadian Pacific Railway, under the management of the latter. They state that they as a party are opposed to this. They will not find this such an easy job since the former Minister of National Revenue (Mr. Euler) has pronounced himself in favour of amalgamation, having said that it is the only salvation of the railways. I am not prepared to go as far as my hon. friend, as I believe that the new board of trustees should be given a chance and a fair trial in the hope that they may be successful in substantially wiping out the deficits. However, I am prepared to say that this country cannot stand much longer a deficit of over $1,000,000 a week in the operation of our railways. The taxpayer cannot and will not stand it. If amalgamation is the only way out of this mess, as pointed out by the hon. member for North Waterloo, we will have it no matter what government is in power, whether Conservative, Liberal or Cooperative Commonwealth Federation. The citizens of this country will demand it and the government will have to obey. But I would tell my fellow-citizens that the Liberal party is ninety per cent responsible for the present situation of our national railways. If these railways can be saved from ruin the Conservative party and no one else will save them.

Hon. J. L. RALSTON (Shelburne-Yarmouth): Mr. Speaker, on a question of privilege, I wonder if the house will permit me to refer to an incident which occurred this afternoon. I spoke of a letter of the Department of National Revenue dated February 10, 1934, and the Minister of National Revenue (Mr. Matthews) intimated that he thought I was not quoting the letter correctly. I said that I had not the letter and the minister intimated that he had a copy before him. I have since got this letter and I should like to read it in justification of the statement I made. A letter was sent to me by the Commissioner of Customs dated April 23, 1934, in which he stated that he enclosed a copy of representative letters sent by his department to importers dated November 8 and November 22, 1933, and

February 10, 1934. I shall just quote the letter to which I specifically referred, the one dated February 10, 1934, which reads:

Gentlemen,—

I have your letter of the 25th ult., relating to the application of fixed values on an importation of jute twine.

The situation is that an appeal has been made to the governor in council from the decision of the tariff board on this question, and until this appeal is heard—and the hearing is expected shortly—the department cannot do otherwise than allow the matter to remain in statu quo and apply the fixed values as heretofore.

Yours truly,

for Commissioner of Customs.

My statement was that the department was insisting on applying the fixed value, disregarding the decision of the tariff board.

Mr. C. E. BOTHWELL (Swift Current): Mr. Speaker, my first word is one of congratulation to the Minister of Finance (Mr. Rhodes) for the clearness and frankness with which he laid before the house and the country the situation in which our country is to-day. I should possibly qualify that in one or two particulars. In referring to increases in prices, the minister stated, as reported on page 2270 of Hansard:

As an indication of the extent to which the maladjustments between various price groups have been corrected in Canada, I may add that while the wholesale price index was rising 13.4 per cent, the index for farm prices rose by no less than 34.9 per cent.

I believe the minister based his figures upon the index of February of last year, which belief is to be gathered from the preceding paragraph, but I think a fairer comparison would have been to take the index figures at a normal time rather than at a time when agricultural prices were at their lowest ebb. If that were done, then the percentages would have been very close to or possibly the same as those given this afternoon by the hon. member for Shelburne-Yarmouth (Mr. Ralston).

I do not intend to follow the arguments of the preceding speaker, the hon. member for Compton (Mr. Gobeil) except as to one remark he made. He stated that the people of Canada would not stand for continued deficits in Canadian National railways account of about one million dollars a week. I have gone through the budget statement of the Minister of Finance pretty carefully, but I do not believe that there is anything in it to help remedy the railway situation. Before our railway situation can improve I believe we shall have to have some traffic for the railways, and so long as our trade is restricted to the extent that it is at the present time then the railways will have nothing to do, or at any rate will have insufficient work to make them pay.

I have also carefully gone through this budget to see whether there is anything in it that may be of particular interest to the people whom I have the honour to represent. I do not think they will be particularly interested in some of the changes that have been made, for instance, the reduction in the tax on beer, ale and porter. There may be a little benefit from the reduction of the excise tax from 3 to 1½ per cent on goods imported under the British preference, but I hardly think that any of the people I represent will benefit in any way by the reduction from $1.50 to 75 cents on champagne and other sparkling wines. They may derive some benefit from the reduction of two cents on postal notes not exceeding $1, but few of them will benefit by the reduction of four cents per hundred or fraction thereof on cigarette tubes. I gather from the newspapers that in connection with the reduction on cigarette tubes it is the opinion of the tobacconists that it will mean no reduction in the price. Whether the newspapers are correct or whether the opinions of those who have been consulted by newspaper reporters is correct, I am not prepared to say. The people however will welcome the reduction of one cent per pound on sugar; we only regret that the budget this year did not wipe out that tax altogether. We realize the difficulty the minister faces in raising revenue; we realize that when he reduced the excise tax on sugar from two cents to one cent per pound he had to find some other means of raising the same amount of taxation, and this apparently he did by putting a tax on gold. In passing, I believe that the tax on gold is a reasonable kind of tax, but I think it should be applied somewhat differently. In my opinion it should be a graded tax, as explained by the hon. member for Shelburne-Yarmouth (Mr. Ralston) this afternoon. I cannot understand how the hon. member for Winnipeg North Centre (Mr. Woodsworth) can object to a graded tax on gold and be in favour of a graded tax on income; the two seem to me to be very similar ways of raising revenue. However, the hon. gentleman objected to it this afternoon; he thought the tax was all right but not high enough.

Under this budget I find that the duties have been raised on three series of articles that may affect the ordinary individual: 278b, crude peanut oil, for refining for edible purposes, used as materials in Canadian manufactures; 537a, rovings, yarns and warps, wholly or in part of vegetable fibres; and 375, ferro-alloys of various kinds. The duties have

been lowered on twenty items when imported by manufacturers for use in their own factories, on twenty-seven items or classes of goods imported only for manufacturing or processing purposes, and on five completely manufactured items.

None of the people I represent are particularly interested in any of these changes in the tariff with the exception of completely manufactured goods, and I have looked into the matter to see how far these will benefit any of them. I take the first item, 409e. This item reads:

Fruit and vegetable grading, washing and wiping machines and combination bagging and weighing machines, and complete parts therefor.

Under the old tariff it was free under the preferential, 10 per cent under the intermediate and 10 per cent under the general tariff. Under this budget the rates are the same, but I find that in the old tariff there were items carrying rates of 15 per cent preferential, 27½ per cent intermediate and 35 per cent general. So far as the farmer is concerned however, in the purchase of fruit and vegetable grading, washing and wiping machines, as I read the schedules there has been no change in the tariff affecting him; it has been changed more in the wording of the tariff sections, clarifying the tariff to indicate that farmers will get the goods they require under these rates.

The next item is 410d. This item reads:

Well drilling machinery and apparatus, and complete parts thereof, of a class or kind not made in Canada, and seamless iron or steel tubing over eight inches in diameter, for use exclusively in drilling for water, natural gas and oil, and in prospecting for minerals, but not to include motive power; packer rubbers for oil and gas wells.

This item is free under the three tariffs. In the old schedule it was also free, but packer rubbers for oil and gas wells are added, and under the old tariff that particular item bore rates of 15 per cent preferential, 25 per cent intermediate and 27½ general, and apparently it came under item 618. Now it is included with well drilling machinery. That does not bring any benefit to the people I represent.

Mr. STANLEY: It does to some of the rest of us.

Mr. BOTHWELL: How much did it cost my hon. friend or any of his constituents for packer rubbers?

Mr. STANLEY: It assists some of the people in carrying on their work and in promoting an industry which is of so much importance.

Mr. BOTHWELL: I appreciate the reduction even if it is small and affects only one particular industry. The next item is 445j, electric dry shaving machines, of a class or kind not made in Canada, for use in removing human hair, and complete parts thereof. I do not think our people will be very much interested in that. The next item is 511a, cricket bats, balls, gloves and leg guards. I do not know whom this will benefit. In my youth we used to play cricket a little but at that time we had to make our own bats. I can scarcely recall now how we got the ball or whether there was a duty on it or not, but I can say at any rate that among farmers, who are hardest hit at the present time, there are not many who will be interested in that item. The next item is 597b, harps. Is this an election bait for the Irish? It is free under the preferential tariff.

There is in this schedule one item in which I am rather interested, and that is:

267b. Crude petroleum not in its natural state, ·7250 specific gravity or heavier at 60 degrees temperature, when imported by oil refiners to be refined in their own factories.

The rates are, per gallon, British preferential tariff, free; intermediate tariff, one and one-half cents; general tariff, one and one-half cents. The old rate was: British preferential tariff, one-half cent; intermediate tariff, one and one-half cents; general tariff, one and one-half cents.

A couple of years ago we had considerable discussion on gasoline in the house or in a committee of it. That did not get very far in the house that session, but we are not satisfied with the gasoline situation yet, and when I noticed that item I wondered just the reason for the change in the duty on crude petroleum not in its natural state. I began looking into the matter to find out whence that particular kind of petroleum was coming, and from the Trade of Canada for the fiscal year ended March 31, 1933, I find the imports were as follows:

From United Kingdom— British West Indies— Date	Imports gallons
1929	nil
1930	nil
1931	nil
1932	nil
1933	10,849,658

That was imported under the preferential rate.

From Peru—	
1929	nil
1930	7,684,088
1931	7,047,497
1932	1,351,595
1933	nil
From Russia—	
1929	nil
1930	nil
1931	nil
1932	nil

The Trade of Canada shows nothing for 1932, but the fiscal year ended March 31. The fiscal year 1933, includes from March 31, 1932, and as I understand the situation, some time in the early part or in the summer of 1932 some big shipments of this particular grade of gasoline came in from Russia. I find in the Trade of Canada that 9,963,048 gallons of this particular brand of gasoline were imported from Russia. Then in the fall of 1932 the government apparently thought none of this gasoline should come in from Russia, so they raised the duty on this particular brand from three-tenths, four-tenths and one-half cent per gallon under the various tariff classifications to one-half, one and one-half, and one and one-half cent per gallon. In the latter part of 1932, as I understand the situation, this importation of 10,000,000 gallons came in from Trinidad, in the British West Indies. I am sorry I was not able to get the figures for the fiscal year ending March 31, 1934, because I expect I would have found that the importations from the British West Indies were still greater in that year. Apparently what happened was this: before the budget came down, I presume the oil companies asked the government for a reduction in the duty. They began to get that particular class of gasoline from the British West Indies and as the gasoline imported under that item is to be imported by oil refiners to be refined in their own factories, nobody else will get the benefit of the reduction. So much for that.

The Minister of Finance in his budget statement realizes the serious position in which many of the people of Canada are to-day. This is shown by his remarks as reported on page 2270 of Hansard where he says:

> For certain individual debtors the burden has become unbearable and the government proposes to bring down at an early stage legislation designed to provide machinery whereby farmers who find themselves unable to pay the fixed charges on their outstanding debts will be able by an expeditious and inexpensive process to work out compromises with their creditors and to obtain new working capital. The guiding principle of this legislation will be to secure for the farmer a simplified debt structure reduced in size to a point where the carrying charges will be within the capacity of the farm enterprise to pay. This will involve some concessions on the part of creditors but these will be more than outweighed by the advantages which will follow as a result of retaining the farmer on the land as a willing and effective producer. The release of economic energy so produced and the substitution of hope and goodwill for despondency and discontent which are now prevalent in certain areas should result in a very real gain to our whole domestic economy.

That shows, I say, an appreciation on the part of the minister that our farmers in particular are in desperate straits. He is also trying to find means of raising revenue, and before I get through I am going to suggest to him one method of doing so which I think he has overlooked. That is, the oil industry should be put on a basis where it will be fair and equitable to all persons in Canada, and then, if the government needs to raise additional taxation, let them do a little taxing there instead of allowing the oil industry to get away with all the profits they are now extorting from the people of Canada. In the first place, dealing with that industry, I want to quote from the Petroleum Products Industry in Canada, 1932, a publication issued by the bureau of statistics under the authority of the Minister of Trade and Commerce (Mr. Stevens). I find there that the refineries in Canada used 930,114,055 gallons of crude oil in 1932. Canada in that year produced only about 36,000,000 gallons, or less than four per cent of the crude oil that was used in the refining industry in this country. If there is a necessity for duties in order to maintain that industry which is producing less than four per cent of the crude petroleum used, I think it would be a more equitable way to deal with the matter to bonus that industry rather than to penalize for the benefit of the major oil companies all the people of Canada who use oil and oil products. The significance of the following figures is rather startling.

Petroleum Products Industry

	1930	1932
Number of persons employed	5,134	4,116
Salaries and wages	$ 8,190,130	$ 5,980,681
Cost of material	71,800,429	52,237,387
Selling value	91,787,205	71,697,757
Surplus	11,796,646	13,478,689

Those latter figures would not be all profits, but they would include profits. When the prices of raw material dropped as this schedule shows I submit that the cost of other materials entering into the cost of gasoline or lubricants would drop also, so

that the main difference between those figures of $11,796,000 for 1930 and $13,478,000 for 1932 would be profit. It shows that between 1930 and 1932 there was a wage cut of $2,209,449 or an average wage reduction per man employed of $142.24. The average yearly wage was reduced from $1,595.27 to $1,453.03. But between 1930 and 1932, although the selling value of the product at the works is some $20,000,000 less, the amount left for profit—or profit and other costs—increased by $1,683,043, which to me indicates that the oil industry, taking advantage of the depression, reduced the wages of their employees and used the money to pay additional profit. That is the only conclusion that one can draw.

I clipped from the Financial Post the record of the three major oil companies operating in Canada, and I want to read a few extracts. Here is the statement of the Imperial Oil Company taken from the Financial Post of April 21, 1934:

> Lands, buildings, plant and other equipment increased from $112,333,827 to $113,457,235 and floating equipment dropped from $12,252,502, to $12,008,380. Against this, reserve for depreciation went up from $54,702,873 to $60,411,958, a gain of $5,709,085 or more than net profits on all Canadian business. Other reserves on fire, marine, cargo and freight insurance, and annuities, increased from $12,538,862 to $12,761,920.

Then we have the British American Oil Company. Here is the heading:

> B. A. Oil Sales Down Somewhat But Earnings Up.
>
> Company Reduced Bank Loan From $3,000,000 to $1,750,000.
>
> British American Oil Company's consolidated financial statement shows the company to have increased its gross and net profits in 1933 as compared with 1932, to have increased its earnings on the common stock from 99 cents a share in 1932 to $1.01 a share in 1933, to have reduced its bank loan by $1,250,000 to $1,750,000 and to have redeemed $178,572 of fifteen year five per cent convertible sinking fund gold debentures due 1945, leaving $4,462,500 outstanding.

Then there is another statement, income and surplus account. It shows an increase in the surplus carried forward from $6,810,805 to $7,338,510. The working capital is increased from $3,101,142 to $4,375,227.

I submit that the major oil companies in Canada were making profits prior to the change in the tariff in 1930 and do not need the protection given them now. I remember during the boom days in the west when the cities and towns were filled with real estate agents. Coming down the street in the morning a fellow would meet you and say: "The corner of Second avenue and Main street is sold." "Who bought it"? "One of the banking institutions." Next day you heard about another corner. "What bank bought that?" They knew it was the banks coming in and buying the best corners in the towns. But that is all changed now. You can go through any village, town or city, anywhere in Canada I presume, and you find that most of the best corners are occupied by Imperial Oil, Supertest, British American or some other oil company. The investment in oil stations must be tremendous, and the cost of distribution consequently tremendous. I do not know whether they are hiding their profits in that way, trying to spend their surplus so that they will not have to show excess dividends, but the inference is quite clear as to the position that the major oil companies are in.

Then we get letters like this. Here is one from Prince Rupert comparing prices charged in Prince Rupert and in Alaska:

	Prices per Imperial gallon	
	Alaska	Prince Rupert
Gasoline.	17·4c.	24c.
Distillate.	15·6c.	19·5c.
Mobiloil A lubricating oil. . . .	75·6c.	$1.10

The writers of this letter, the Canadian Halibut Fishing Vessel Owners' Association, say:

> From this you will see there is a great deal more difference than is represented by the duty. This we take it, is brought about from the fact that the duty prevents the bringing in of foreign products, consequently the home product has the field, and they not only add the price of duty but as much more as they can get away with. . . . There is absolutely no reason why the price of these products should be any more here than they are in Alaska, particularly as we understand that the Union Oil Co. supply their Alaska station from Vancouver, the same product, as is delivered to their station here.

I have another letter dealing with full diesel tractors. This is written by the Caterpillar Tractor Company:

> One of these tractors sold to Mr. O. B. Lassiter of Chin, Alberta, was able to one-way plough 4,200 acres at a cost of 9 cents per acre for fuel, oil and labour. This result was partly due to Mr. Lassiter's location, as he was able to buy Diesel fuel from the Kevin-Sunburst oilfield in Montana at a price which enabled him to lay it down on his farm for 6¼ cents per gallon. Had he bought a similar fuel from any of the larger Canadian oil companies, he would have paid 12 to 15 cents per gallon. Why this condition should prevail is something of a mystery as Mr. Lassiter paid duty on every gallon he imported. Over and above that, he paid duty and excise tax on the tractor itself which represented an increase of about 40 per cent over the cost of a similar tractor to a farmer living just south of the international boundary. In fact, the charges

paid by this farmer over and above the factory price and freight amounts to more than the total fuel cost for 7,000 hours operation on fuel costing 6¼ cents per gallon.

In addition I have a letter from the Craig-Jensen Company in connection with lubricating oil, in which they talk about the dumping duty which has been added. The writer states:

That you may have at hand convenient information in connection with this matter, by obtaining copies from the department of customs manifest No. 2159, which covers shipment of 4,179 imperial gallons of oil (their invoice RS 8762, Freedom Oil Works). You will note that customs charges total $688.65 and this special duty clause accounts for $300.09 of this amount, or 7.18 cents per gallon.

That letter was written on November 5, 1932, after the sales tax of four cents per gallon had been imposed in the United States and added to our price for import purposes. The situation in connection with oil was explained early in the session by the hon. member for Beauce (Mr. Lacroix), who told us that he could have purchased gasoline from the Standard Oil Company and the Pan-American Oil Company at 4·89 cents per gallon laid down in Quebec city, without duty or sales tax, while to buy oil from the Imperial Oil Company or the Champlain Oil Company in Montreal would cost 12·50 cents in Montreal plus 2·50 cents for shipping from Montreal to Quebec, or a total of 15 cents per gallon. That price, I presume, would include the sales tax and the duty of 2½ cents per gallon, although I doubt if the Imperial Oil or the Champlain Oil paid any duty.

This difference in price has caused the people of the west to seek for means to obtain cheap fuel. They organized independent oil companies, but I understand that these companies have been bought up by one of the major oil companies or there has been some amalgamation, so that the farmers, through their cooperative associations, are now endeavouring to raise money themselves in order to build an independent oil refinery. I would quote the following dispatch from the Regina Leader Post of March 24, 1934:

Further details of the proposal that farmers' cooperatives establish a $150,000 oil and gasoline refinery in the province will be discussed by directors of the Sherwood Cooperative association at a meeting at 10 o'clock next Wednesday morning in the Sherwood rural municipal building, Cornwall street.

C. O. Smith, president of the association, said details of the plan had been sent to the central cooperative buying association, Saskatoon, for consideration but no reply had been received up to Saturday afternoon.

The plan calls for construction of a refinery at a cost of $75,000 at some central point in the province with an additional $75,000 as operating account.

[Mr. Bothwell.]

Then last year the Saskatchewan legislature endeavoured to take some action. A bill was introduced by Hon. A. C. Stewart, Minister of Highways, in an attempt to stop discrimination in regard to gasoline prices as between different sections of the province. I understand that the bill was introduced because, when an independent oil refinery was constructed, the major oil companies were in a position to cut prices in the territory to be served by that small refinery, and so put it out of business. The object of this bill was to prevent the major oil companies from taking that action. Under the provisions of the bill any company found guilty of discriminatory sales was liable to a fine of not less than $1,000 and not more than $10,000, while any person violating this provision of the act was liable on conviction to a fine of not less than $100 and not more than $500, or to imprisonment. That act was not passed, however.

A move now is under way, for the third time, to get at the small refineries by way of freight rates. A year ago the Canadian railways proposed that any refinery in Canada not reshipping at least sixty-five per cent of its finished product by rail should pay a higher freight rate on its crude oil than the refineries that use the railways for their gasoline distribution. The next proposal was that a higher rate should be charged on crude of 40 gravity or over. The independents claimed that as they used a crude of 40 gravity or over, whereas the big refineries were able to use a lower gravity crude, this proposal was another attempt to put them out of business. The latest move, according to information sent the board of railway commissioners, is that the Canadian railways, through the Canadian Freight Association, have given notice that after June 30, 1934, they will not participate in a through rate on oil from the southern field to Saskatchewan. That is very alarming to those small local refineries remaining in the west, and municipal councils are also alarmed. I should like to read one resolution that has come to me:

The following resolution was passed at the regular meeting of the council of the rural municipality of Miry Creek No. 229, and we are forwarding same to you for your consideration.

1. Whereas there now appears to exist in western Canada a complete monopoly of the oil refining industry as indicated by available statistics and information which show:

(a) That seventy per cent of the stock in the Imperial Oil Company is owned by the Standard Oil of New Jersey.

(b) That prices quoted on all refined oils, whether by the Imperial Oil Company or by

any other refining company in western Canada, are the same and do not vary one from the other, pointing to the dictation of such prices by the Imperial Oil Company.

(c) That all refineries in western Canada are owned or controlled either by the Imperial Oil Company or by some other refinery whose prices appear to be governed by those of the Imperial Oil Company.

(d) That the dividends accruing to the Standard Oil Company of New Jersey on their Imperial stock alone are nearly double the whole Canadian payroll of the oil refining industry of Canada, and independent oil distributor having no other source of supply the consuming public is helpless in the hands of this monopoly.

2. And whereas for these reasons there is now no competition in the oil refining industry in western Canada.

3. And whereas crude oils come to the said refineries duty free while the refined gasoline used by the consumer is charged with a duty of 2½ cents per gallon, 1 cent per gallon additional tax, plus 6 per cent sales tax and 3 per cent excise tax; such duty ostensibly for the protection of the Canadian labour, but the profits going out of Canada on Imperial oil stock alone are nearly double the whole payroll earned in the oil industry by Canadian workers.

4. And whereas under the operation of the N.R.A. in the United States the price of crude and refined oils and the cost of labour are controlled so as to practically eliminate the posibility of surpluses of cheap oil products being dumped on the Canadian market.

Therefore be it resolved:

First. That the council of the rural municipality of Miry Creek No. 229 recommend to the government of Canada that all duties be lifted from all refined oil products.

Second. That a copy of this resolution be forwarded to the Department of Trade and Commerce, the Department of National Revenue and the sitting member of this constituency at Ottawa.

I have received a resolution in very much the same terms, passed by the board of trade of Abbey, Saskatchewan.

I trust that the minister and the government will give consideration to this matter and see that justice is done the farming communities which are dependent upon oil and oil products for the successful operation of their industry.

Mr. B. M. STITT (Nelson): Mr. Speaker, at the outset may I join with the other speakers who have congratulated the Minister of Finance (Mr. Rhodes) on the clear and concise manner in which he presented the budget.

I hope the hon. member who preceded me (Mr. Bothwell) will pardon me if I do not attempt to follow him in his diatribe on gasoline, his pet hobby.

The hon. member for Shelburne-Yarmouth (Mr. Ralston) the official opposition critic, again made a clever legal analysis of the budget, as he usually does, and skilfully skated around most everything which tended to touch on the basic facts of the whole set-up. To my mind this year's budget is not very contentious. It was framed to meet a difficult situation, not to meet popular demand. At the outset of the hon. member's remarks, with great gusto he brought out the fact that the British government, when presenting its budget, has shown a magnificent surplus. Once again he skated around the basic facts when he omitted to say that in the British budget no provision was made for the payment of war debts or the interest on them; consequently when he attempts to compare that surplus with the deficit shown in the Canadian budget he has not been fair. As hon. members are aware, Canada is paying the interest on war and other debts; she has met her obligations in full. Like a voice crying in the wilderness his whole argument was, as last year, based on the assumption that Canada is the only country in the world suffering from the depression. His argument will not register to any great extent with the Canadian people; they know differently; they are not as gullible as they used to be. They are beginning to think for themselves. The people of Canada know that with the exception of relief expenditures practically the whole debt structure was left by a Liberal administration on our doorsteps when we took office. The late Liberal administration, when in power, coasted along on the wave of prosperity like a man in a deep well looking up at the stars. Had they exercised even a little vision and made some attempt to provide for a rainy day instead of embarking upon a wild reckless orgy of spending, purely for political purposes, the problems confronting the present government would have been greatly minimized.

The member for Shelburne-Yarmouth spoke vigorously about the promises made by the Prime Minister (Mr. Bennett). We have heard this criticism so often that it is beginning to grow whiskers. I believe any fair-minded Canadian would be quite willing to absolve the Prime Minister from most of those promises, and that even hon. members opposite would be fair enough to admit that in 1930 no one could see what was ahead of Canada. Certainly no one thought the depression would be so intense. All the childish chatter about election promises does not hold any great appeal for the Canadian people. To-day the people are interested in the problems confronting them, and the remedies this government may effect to meet those problems. They are not interested in what happened in the days of William and Mary, at the time of the signing of the Magna

Charta, or in a lot of other ancient stuff to which we have been listening. Speaking about trade the hon. member employed the age-worn political trick of using the dollar and cents basis instead of the volume basis for purposes of comparison. He made no allowance for world prices which, every school child knows, fell to almost unheard of levels during the last three years.

There is one portion of his speech, however, with which I find myself in agreement—not wholly, but to some extent—namely that portion in which he referred to the new taxation on the gold mining industry. I have availed myself of every opportunity to oppose this tax. I need not remind hon. members that gold mining in the last three or four years has saved Canada from destruction. I should not have to remind the house that the new gold price has resulted in a great expansion of that industry, not only in that it has attracted fresh capital, but also that it has provided markets for the primary producers and industries of Canada. Old mines which have been closed for years have been revived, shafts dewatered and reopened. Many of these mines were closed down because they could not work at the old price of gold. As a result of the new price there has been intense prospecting. Representing an extensive mining district I am in a position to know that in my constituency hundreds of men are now going into the bush where, in other years, there would not be dozens. This will mean that new finds are going to be made and new mines are going to be brought into being, resulting in added employment.

Then, there is another angle to the situation, namely that even the older mines, and many of the newer ones, are to-day milling ore which only a few years ago they could not afford to handle. My objection to the tax as now constituted is based on the fact that it is a gross tax on the production of gold. I do not think I need remind hon. members that it costs as much to mine and mill a ton of rock with two dollar gold content as it does to mill a ton of rock with fifty dollar gold content. Every dollar which gold expands in price expands industry, and every dollar that the price of gold contracts is bound to contract industry that much. There is no doubt about that. As I said a moment ago, they are now working ore which they could not handle at the old price, and the result has been that thousands of men have been taken out of the relief camps and put back to work.

I am of the opinion that the tax should be graded on a basis somewhat similar to that followed in connection with the income tax, where those best able to pay will pay, and those least able to pay, namely the low grade producers or the base metal producers in connection with which gold is simply a by-product, will not be taxed as heavily.

I have confidence enough in the government to believe that the matter will be given consideration and that the proper adjustments will be made. Possibly the budget may have been drawn in a hurry and all phases of the matter may not have been considered. I sincerely hope the minister and his government will reconsider the whole set-up, and I am quite sure that if they are given proper consideration the miners and prospectors will not hesitate to make further contribution to the well being of Canada.

I was more than pleased to note that the Miinster of Finance intends to bring down legislation in connection with debt adjustment. I do not know what form the legislation will take, but may I say in passing that I believe it is long past due. We know that the western farmers are to-day suffering from loan conditions which are at extreme variance with conditions obtaining when those loans were created. The loans were negotiated with loan companies at abnormally high rates. Loan companies and banks thought the loans were justified and loaned accordingly. Of course, at that time farm prices were good, and through the sale of his products the farmer could take care of his obligations. However, during the past three years the prices of farm products have decreased approximately fifty per cent, and as a result the farmer is carrying on at a loss. Under the circumstances he is not in a position to pay his taxes, interest and so on. Land values are falling and in most cases the amount of the mortgage is in excess of the value of the property involved. Consequently, there is no hope either for the mortgagor or the mortgagee. An adjustment of these conditions is long past due and unless some move is made to wipe out or reduce considerably this burden of interest and accruing interest rates, only chaos can result. The land companies and the banks would be well advised to accept half a loaf and maintain their solvency; otherwise insolvency will result, and any mortgagor or vendor who cannot see this fact is fooling only himself. Had the land companies and the banks taken this action voluntarily months ago, the debt legislation which the western provinces have brought down and which this government is going to bring down would have been unnecessary. The legislation brought down in the west will prevent most mortgagees from obtaining anything like the full amount of their claims.

I was pleased to hear the minister state that the government intends to inaugurate a public works program. We have been looking for this for some time and to my mind it is the only way to bring about prosperity. Our people will be put back to work and payrolls will be created to be passed around to everyone.

I was pleased at the move of the government in bringing down a central bank bill. I am sure this legislation was a great shock to our friends on the other side of the house. They have been going through this country from coast to coast telling everybody that this government was the great friend and champion of the banks and financial interests. Anyone who has studied this legislation will know that it is not very popular with the banks. Some of our Liberal friends have gone so far as to say that the Conservative party is going red. If what we are doing is red, then I am glad to be on this side of the house. If anyone had told me that the government would bring in a central bank bill which would take over the entire gold reserves of the banks at the old price, I would have said that they had one more guess coming. But the government has done this, which shows that it is prepared to meet courageously and without fear the situation which confronts it.

From day to day we hear in this house another argument which has grown whiskers, the argument of the usurpation of power and the utter disregard of constitutional rights. May I say that the people of this country are not interested in that sort of childish chatter, and the sooner hon. members opposite get that into their heads, the better it will be for them. Hon. members opposite do not seem to realize that we are facing new conditions. Once the march of progress is started, you can do no more to stop it than you can stop the tide coming in and going out. In my considered opinion the greatest enemies which any political party can have are those orthodox members within its ranks. We are facing changed conditions and we must change accordingly. Any government which refuses to remake and reshape itself to meet those conditions is going to cease to exist; do not make any mistake about that.

If there are any doubting Thomases in this house who do not believe in the intentions of the government, I ask them to withhold their criticism until all the legislation is brought down. If they have any doubts as to the courage of this government to bring down the necessary legislation to bring about the happy conditions for which we are all looking, let them wait.

The marketing bill which the government has brought down has received a great deal of attention. Once again we have met with considerable opposition from the other side. Why this has happened, I do not know. Even the western members are talking against it and I would like to know how they will talk when they get back to their constituents. I think some of them will back track a little. I noticed they were labouring somewhat when they got up in the house to talk against the bill. This is probably one of the most revolutionary pieces of legislation ever brought before this house.

Mr. NEILL: Revolutionary is right.

Mr. STITT (Nelson): I am glad to be a member of the government which has brought in this legislation, and I am going to support it with all the force I can. This bill was prepared after a careful three year study of the problems confronting the primary producers, particularly the producers of agricultural products. We cannot do very much with wheat because the ramifications in connection with that commodity are considerable. Because of the conditions prevailing in the world markets, this would be very difficult. Once again let me remind the house that the government has not lacked courage in handling the wheat problem of this country. I think hon. members must admit that, whether or not they agree with the methods adopted. This marketing bill is proposed to regulate production where there is overproduction. We know that production beyond a possible hope of sale or consumption is poor business and can bring only chaos.

Some very prominent men in this country —I do not hesitate to mention one leading Conservative in the west, Mr. Sanford Evans —and other so-called economists condemn all co-operative movements. Being so closely associated with the grain exchange I do not attach importance to the position he has taken. In attacking this act some hon. members opposite have spoken of legitimate business. As far as I am concerned, there is only one business that is legitimate, and that is the one in which the producer receives a fair return for his labour and investment. This bill is framed to permit the marketing of our surplus in an orderly manner, both at hame and abroad. It is framed for one purpose only, to provide a fair price to both producer and consumer. When I drive along Wellington Crescent in Winnipeg, one of the principal streets, and see the mansions which have been built from profits taken from the farmers, I cannot help but think that this legislation is long overdue. I am not one of those who be-

lieve that prosperity can be restored by raids on the public treasury, but we are facing a new era and we must meet it with advanced ideas in legislation, and that is what this government is doing.

I have spoken at greater length than I had intended. I rose to make a few remarks on the budget, particularly in connection with the mining tax in which I am greatly interested. For several weeks we have been meeting in this chamber but we have not made very much headway. I have been sitting here wondering why, in times like this, we in this house who are all, I think, deeply interested in the welfare of this country, cannot shake off this political leprosy which threatens to destroy us at this time and get away from this holy show of parliament.

Some hon. MEMBERS: Order.

Mr. STITT (Nelson): We should try to make this Canada of ours the great country which such eminent statesmen as Sir John A. Macdonald and Sir Wilfrid Laurier thought it would and should be. In brief, I think it is about time this parliament got down to business.

Mr. W. H. GOLDING (South Huron): In rising to make a few observations on this 1934 budget, I hope that my hon. friend opposite will not consider me discourteous if I do not follow him in his remarks. I need hardly say to the members of this house that this is only the second time I have had the privilege of hearing the Minister of Finance (Mr. Rhodes) deliver his budget address. One year ago it was my privilege to hear the hon. gentleman deliver an address when introducing his 1933 budget which I think, for composition and for delivery, should go down in the records of this house comparing favourably with any address given by any of our previous ministers of finance. I think the present minister deserves our congratulations on the very efficient way in which his budget is prepared and also on the excellent manner in which he delivers his address, and I want to assure my hon. friend that it was a pleasure to me to have had the privilege of listening to his address one year ago, as it also was a pleasure to have the privilege of listening to his address again on Wednesday last.

I shall always look back on that address of last year as one of the outstanding incidents in my first experience as a member of this House of Commons. I remember very well I had a great deal of sympathy with the minister at that time because I did feel that he was introducing in his budget many things which he must have known were going to affect seriously many citizens in a way in which I am sure he had no desire to see them affected. Indeed, I remember that on one occasion, when we were discussing the items of that budget in committee, the Minister of Finance was visibly affected by some criticism to the effect that he did not care what certain classes of our citizens had to contend with or the hardships they had to endure. I want to be fair to the minister and I may say that I did not share in that criticism, because I believe that he is a very humane person and has an interest in and a great deal of anxiety for all classes of citizens. Naturally therefore I had a good deal of sympathy with him because I felt that circumstances had placed him in a position where he was advocating a policy which was going to have an effect that ordinarily he would have no desire to see brought about.

I recall also one incident when we were discussing the budget in committee last year. The question was asked the minister as to what he expected the saving would be through the reduction in the salaries of civil servants and others. He replied that he estimated that the saving would be approximately $8,000,000. The hon. member for Temiscouata (Mr. Pouliot) immediately rose and asked the minister then the question what he estimated the loss in revenue would be through the reduction on two articles of luxury, namely, cigarettes and liquor. Again the minister's answer was that, with the same volume of business, it would be approximately $8,000,000. In other words, the saving that was effected by the reduction in the salaries of civil servants and others was going to be entirely offset by the reduction in the tax on these two articles of luxury. I think that is certainly reversing the order of things, because I believe it is the duty of governments to see that there is no reduction on any article of luxury if such reduction means an increase on articles which are the very necessities of life.

Now there were in that budget of last year certain things which were bound to create a great deal of criticism throughout the country, and that is particularly true in regard to the tax that was imposed on sugar. I am very glad to see that the government have realized their mistake in placing the tax on that commodity and have reduced it by at least fifty per cent. It did seem to me that the tax was quite unjustifiable in view of the fact, as I have pointed out before, that there was a reduction to a great extent on two articles of luxury. It was manipulation such as this that created a great deal of criticism and discussion all over the country.

I remember that when discussing the budget last year I made the statement that it was a typical Tory budget, its outstanding features being taxes, tariffs and deficits; and having had an opportunity of conversing with my constituents since that time I have found that I was expressing the opinion of the great majority of them when I made that statement.

There was another thing that received a good deal of discussion last year and about which there were many complaints, and that was the advantage that many had gained at the expense of the government by what was supposed to be a leak in connection with the tax that was intended to be and actually was placed on sugar. From all parts of the country complaints came pouring in with regard to this so-called leak, and I believe the minister did endeavour to locate the source of it. Whether he was successful in that task I do not know, but I do know that the people resented information of that kind being spread abroad before the actual presentation of the budget itself. I am glad to know that nothing of that sort is occurring this year, and I think the minister should be congratulated on that.

If we go back to the last federal election we cannot help remembering the promises and predictions made by members of the government as to what would happen if they were given control of the country's affairs; and bearing those promises and predictions in mind it is certainly interesting to review what has actually taken place in the presentation of the various budgets that have been brought down by this government. If we turn to the 1931 budget, which was the first one introduced by the present government, we find that taxation began immediately to increase. That budget was introduced by the Prime Minister, who was acting as Minister of Finance, and almost his first words were to announce a duty on tea, an increase in the postage stamp tax, a raising of the sales tax from one to four per cent, the levying of a tax on coal, and burdening us with numerous other forms of taxation such as increases in the tariff on many essential articles, all of which placed a burden on the people at a time when they were least able to bear such a burden. There is no doubt that this had a very depressing effect not only on business in Canada but on every citizen. But if I may put the matter in this way, there was a silver lining to the dark cloud that was settling over the Canadian people at that time because the Prime Minister was then introducing a real budget, something which, according to our hon. friends opposite, had not been done for some time. The silver lining to this dark cloud was the fact that those increased taxes were going to provide the government with a splendid surplus at the end of the fiscal year and with this assurance of course the people took courage and went forward to meet the financial burden which they know lay before them. But what happened at the end of that year? Imagine the consternation of the people when at the end of the year they found not the expected surplus but a very substantial deficit, and, according to the public accounts, an increase in the public debt of some $114,000,000!

Now we come to the 1932 budget which was introduced by the present Minister of Finance and which included further additional burdens of taxation. Indeed, it was conceded, I think, to be one of the most burdensome budgets so far as taxation was concerned, that was ever submitted to the house. But once more the country was led to believe that with the additional taxation imposed at that time it would have a surplus at the end of the fiscal year. In that budget the sales tax was increased from four to six per cent; there was an increase in the excise tax on cheques, telegrams, railway tickets, long distance telephone calls and almost everything one could imagine. But after all the additional taxes that were imposed by that budget, what did we find at the end of the year? We found not the expected surplus but a very substantial deficit and again, according to the public accounts, an increase in the public debt of some $220,000,000.

That brings as to the 1933 budget and we will remember the additional taxes that were imposed last year. The minister in his address on Wednesday last had to announce another deficit and another addition to the public debt of some $135,000,000. The point I wish to make is that notwithstanding all the promises, arguments and predictions that were made as to what would happen were the present government returned to power, we have found in each and every budget presented by the government in comparison with the 1930 budget, the last one introduced by the Liberal party, increased taxation, increases in the public debt, increases in tariffs, in fact, an increase all along the line. That is not a new experience for our hon. friends opposite or for the party they represent, because if we review the record of the Conservative party since confederation, we find that only four times have they been able to show a reduction in

the public debt, as the following figures will show:

Year	Reduction in public debt
1871	$ 503,000
1882	1,734,000
1912	122,000
1913	25,617,000

On the other hand we find that the party represented by those who sit on this side of the house, the Liberal party, have had eleven years in which they have been able to show a very substantial reduction in the public debt, as follows:

Year	Reduction in public debt
1900	$ 779,000
1903	10,222,000
1904	730,000
1907	3,371,000
1924	35,993,000
1925	345,000
1926	27,706,000
1927	41,896,000
1928	50,984,000
1929	71,345,000
1930	47,740,000

I think we ought also to point out that the Liberal party have controlled the affairs of the country for some twenty-nine years since confederation, while the Conservative party and union governments have been in control for thirty-eight years. The point I would like to make there is that the Conservative party have had more opportunities to show what they were able to do in a financial way than have the party on this side of the house. That represents a true picture of the financial accomplishments of the two parties.

Much has been said in regard to our trade with the United States. I remember very well during the last federal campaign the amount of discussion that took place as to our unfavourable balance of trade. It was stated in my constituency that if this government were returned to power, that unfavourable balance would be wiped out. What do we find has happened since this government has come into power? Notwithstanding all the trade barriers that have been in effect and notwithstanding the rate of exchange which has existed and which in itself has been a very substantial tariff, we find that for the years 1931, 1932 and 1933 there is still an unfavourable balance of trade of an average of $138,000,000 per annum. There is something significant in that; I think it proves conclusively that our natural market for much of our basic produce lies to the south of us. In view of that I still believe it would be splendid if these two countries could get together and agree on some reciprocal trade arrangement which would be mutually beneficial.

[Mr. Golding.]

I fully appreciate the fact that the present government has done its utmost to control imports by raising tariffs, by imposing the dumping duty and by every other method possible, but apparently it forgets that it is quite impossible to reduce imports without at the same time reducing our exports, and our trade figures are grim reminders of this indisputable fact. I would like to put on Hansard our trade figures just to show how, as the imports were reduced, exports were reduced in almost the same proportion:

Year—	Imports	Exports
1923	$ 802,000,000	$ 945,000,000
1924	893,000,000	1,058,000,000
1925	796,000,000	1,081,000,000
1926	927,000,000	1,328,000,000
1927	1,030,000,000	1,267,000,000
1928	1,108,000,000	1,250,000,000
1929	1,265,000,000	1,388,000,000
1930	1,248,000,000	1,144,000,000
1931	906,000,000	817,000,000
1932	587,000,000	587,000,000
1933	406,000,000	480,000,000
1934 (est.)	443,000,000	579,000,000

Looking at those figures one sees that as the imports were reduced exports were reduced correspondingly. The figures tell their own story, and demonstrate the point I have been endeavouring to make.

When we remember the bitter and extreme criticism that was directed against the Liberal government in the last federal campaign, how our friends opposite were almost in tears over the alleged neglect of the interests of the farmers, and how they blamed and condemned the Liberal party for not securing more markets and higher prices for their products; and when we see now articles and interviews in the press endeavouring to show the splendid trade that they say is being built up between the United Kingdom and Canada, I think it would be well for us to turn back the pages to recall the volume of trade that existed between Canada and the United Kingdom at the very time to which this criticism relates. I was interested in the campaign in our own constituency, and I took particular notice of the arguments advanced by the supporters of our hon. friends opposite. What do we find was the condition that existed at that time? In 1930 our imports from the United Kingdom amounted to $189,000,000 and exports to $283,000,000. That is the time at which this criticism was aimed against us. In 1933 imports had fallen to $86,000,000 and exports had also fallen to $185,000,000. For the present year, when all this splendid trade is said to have been built up, returns for eleven months indicate that imports amounted to $95,000,000 and exports to $204,000,000, far from approaching the values of 1930.

There is another feature I wish to touch on. I have noticed that the comparisons of trade figures sent out by the Department of Trade and Commerce are made between the years 1933 and 1932. In view of the arguments made in 1930 I submit that comparison should be between 1933 and 1930. That is the year when the promise was made that the wrongs of the Canadian people would be righted. That is the year when, as I said, our hon. friends were almost in tears—

Mr. McINTOSH: Crocodile tears.

Mr. GOLDING: —owing to the terribly low prices that the farmer was receiving for his produce. That is the year the Liberal party was condemned in every way, shape and form for its alleged neglect to secure markets for farm products. And in view of all the arguments at that time I think anyone who is at all fair will agree that all comparisons should now be made between the years 1930 and 1933.

I need hardly say that I do not wish to be too critical of the actions of the government. I fully realize that they are having their difficulties and troubles and have many hard problems to face. I believe that in their way they are endeavouring to give the best service they can. That service, whether we realize it or not, is taking its annual toll. One need only look at the change in the personnel of the federal and provincial cabinets of this country to realize the toll that is being taken from year to year, the price that is being paid by those who are endeavouring to carry the burden and responsibility of government. Therefore I do not want it to appear that I am not sympathetic with our hon. friends opposite or anyone else who is carrying such a responsibility. I have every sympathy for them. But I believe they are pursuing a wrong course, a wrong policy, and they are making their task all the more difficult by so doing. As a representative of a rural constituency it is my duty to oppose any policy which I believe is not in the best interests of the country. I think I can fully appreciate the position of the government in regard to the expansion of trade; practically every country in the world is engaged in this policy of tariff competition. We have entered the scrap also, and it is this policy which is so seriously affecting not only the trade of Canada but the trade of every country in the world. In the interests of the farming community of this country it is absolutely necessary that the tariff on commodities that the agriculturist uses should come down. I am perfectly satisfied that that has to come about. I have been rather amused since I became a member of this house by arguments advanced by some hon. members opposite. Some tell us that as far as the two old parties are concerned there is little or no difference in their outlook in regard to tariffs. I have heard hon. members on the government side endeavour to show that the average tariff has increased very little since the present government took office. On the other hand the Prime Minister frankly and honestly tells this house and the country that they saved the situation by imposing tariffs of unprecedented height. Both these arguments cannot be right. I attended many meetings in our constituency during the last federal election, and if I understood the English language at all correctly, those representing the party on the other side tried to make the people believe that they were going to save the situation if they were elected by imposing higher and still higher tariffs.

Mr. CASGRAIN: Prohibitive tariffs.

Mr. GOLDING: I think the Prime Minister tells the truth when he tells the house and the country that that is what he did. That is one promise at any rate that he carried out.

Mr. CASGRAIN: The only one.

Mr. GOLDING: The imperial economic conference provided a splendid opportunity for this country and for the British empire to set an example to the world by reducing tariffs. It is well known that at the opening of that conference the Right Hon. Stanley Baldwin expressed the hope that that would be done. But we all know that the very opposite took place, and I refuse to believe that that has not seriously affected our trade prospects in more ways than one. It is all right to tell us of the splendid trade we are building up between the British empire and ourselves; that is all very fine, but let me say once more that I am satisfied that many markets to which we might have had access have been closed to us to a certain degree at any rate as a result of the action taken at that conference.

There is another point on which I should like to touch for a few moments; that is the problem of our debt. I must confess that last year I was disappointed with the action taken by the government in regard to the loan floated at that time; I did think the interest rates would have been lowered to a much greater extent than was the case. I believe this whole debt problem must be dealt with in a courageous way. Interest rates in this country must come down if we are going to come through, and I stand solidly behind any policy which will bring about a readjustment of our whole debt structure. Australia tackled

this problem in a manly way; the United Kingdom did likewise, and there is no question but that their position has been very materially improved as a result. I see no reason in the world why we in Canada should not endeavour courageously to deal with this problem also.

The debt of our country, federal, provincial and municipal, is increasing at an alarming rate. This is particularly true in regard to our federal debt. What is the use of the government boasting of how splendidly they have come through the depression when practically everything that has been done has been accomplished with borrowed money? What is the use of boasting of our splendid balance of trade when we are being swallowed by the quicksands of debt? I think the financial critic of the Liberal party, speaking on the budget this afternoon, made the statement that the increase in the national debt since this government came into power amounted to something like $596,000,000. We can hardly conceive that this amount has been added to our national debt. I believe the hon. member for Vancouver Centre (Mr. Mackenzie) gave the members of this house something to speak about when he pointed out, during the course of an address not so very long ago, that since the war, in interest charges alone, this country has paid the enormous sum of over $1,900,000,000. These are staggering statements, and I think the government should give serious consideration to this whole debt problem.

I would suggest, Mr. Speaker, that there are other problems to which serious consideration should be given in order to give our people a chance to come through. The various governments of this country should take immediate steps to deal with the problem of the cost of government in Canada. This may require changes in the British North America Act; if so, well and good. I am quite satisfied, however, that it is the general opinion among all classes of citizens that we are being governed and legislated to death. It does not matter where you go, whether it is on the street, in the church, on the farm, in the factory or in business places; you hear this matter discussed by everyone, and it is a problem with which the Canadian people will have to deal. In my opinion a committee should be set up by the federal and provincial governments which should be representative of business, industry and the great masses of the people, to investigate and report as to the solution of what I consider to be one of our greatest problems. I do not know that it would not be beneficial to have all politicians excluded from that committee, in the interests of the Canadian people; that is my opinion.

Now I should like to say just a few words in regard to the Liberal policy in connection with external trade. Hon. gentlemen opposite tell us that we have no policy. Let me give the policy behind which we stand, which was announced in this house by our leader:

The Liberal party believes that trade is the basis of industrial and commercial development, and that Canada needs trade.

It will promote trade with all nations and negotiate trade agreements with any countries willing to trade with Canada on a reciprocal basis.

It will abolish the extravagant increases in the tariff made by the present administration, which have had the effect of strangling trade, exploiting consumers and robbing railways of business.

It will abolish all unwarranted extra taxes on imports, such as the exchange and dumping duties, as imposed by the present administration.

It will end the making and altering of tariffs by executive action.

It will substitute stability for uncertainty in the administration of customs laws.

It will continue the Liberal policy of British preference by a percentage reduction in existing tariffs rather than by a percentage increase against foreign countries in existing tariffs.

It will grant to British imports a real preference.

In that connection, Mr. Speaker, while hon. gentlemen opposite may take a great deal of credit for having put through the empire treaties and having practically forced the United Kingdom to adopt the policy of protection, I am satisfied that it will not be very long before they deeply regret having done so. I have been reading and watching the developments in the United Kingdom, and I am sorry to say that in my own mind I am persuaded that we are going to be up against a stone wall before many years have passed so far as the export of our products is concerned.

Mr. F. W. GERSHAW (Medcine Hat): Mr. Speaker, in rising to continue this debate I should like to say first that we were all delighted to hear the genial Minister of Finance (Mr. Rhodes) say in no uncertain terms that he saw some signs of reviving confidence, of increasing revenues and of business improvement. It will be the prayer and hope of the Canadian people that these signs may materialize and that the trend may continue to be upward until the spectres of want poverty, privation and unemployment are banished from our land.

I do not wish to quote numerous figures on this occasion, but for a few moments I should like to present the human interest

side of the problems and to suggest some of the solutions which might be applied to them. While we are emerging from the depression the time is surely opportune for us to take stock of our assets, to investigate the weak spots in our system, and in the light of the experience gained to make such remedies and so to build for the future that our children will not suffer the economic defeat which is upon us at the present time. In looking backward at what might be called the man-power age we find that in the past the fear of scarcity was ever before the people. It was uppermost in their consideration, and it was the chief guide to the conduct of mankind. For centuries the struggle for existence, the struggle for the necessities of life, required drudgery, hard work and long hours of labour, and the stress and strain of that exertion did much to bring premature old age upon the people. We find that the span of life has been increased from about forty to about fifty-eight years. This to some extent is due to modern health methods, but to no small degree it is due to the fact that it is no longer necessary for people to labour so hard in order to get a bare living. There is no doubt that the hard living certainly caused the breaking down of the arterial system. Of recent years however machines have been invented to do the drudgery and the uninteresting and difficult tasks which in other days were done by hand labour. Men have succeeded in harnessing steam power, water power and electricity, so that in these days machines have solved the production problem. Professor Soddy has estimated that since the introduction of mechanical power the productive capacity of Great Britain has increased by 4,000 per cent. This, however, has brought its problems. It is regarded as the arch enemy of the unemployed, because as the machines developed so the requirements for labour fell. This is why so many people feel that machines have taken away their means of livelihood.

A few examples might be cited. One man in a glass factory in charge of a bottle making machine displaced fifty-four men, and another man with the aid of a cigarette wrapper has displaced as many as one hundred men. This problem has brought about the paradox of poverty amid plenty. There is very clear evidence of that condition. Ogden L. Mills of the United States made this observation:

> The paradox of poverty amid plenty will never be solved by doing away with plenty.

Economists tell us that our distribution system is at fault, and that production has far outstripped distribution in the race. Science, behind closed doors in laboratories and research departments, has made it possible to harness machine power, and people were unprepared for such great advances. The advance came upon them so quickly that the distribution was found to be obsolete, although heretofore it had worked satisfactorily. And so we have the paradox of on the one hand hungry stomachs and on the other great stores of food. In a book entitled Looking Forward, President Roosevelt makes this statement:

> It is common sense to take a method and try it. If it fails admit it frankly and try another. The millions who are in want will not stand by silently forever while the things to satisfy their needs are within easy reach.

Those who have suffered most from the depression are the people living in the remote rural parts of the country. They still have to undertake laborious tasks. The men, women and children have to work hard. Machinery has helped them but little, and in many cases has been their undoing. All hon. members recognize that in Canada a greater number of people are engaged in agriculture than are engaged in any other industry. Agriculture is said to be the most important industry, and as a result the slogan has arisen, "If you can save agriculture you can save all." When the present government came into office the prices of farm products were falling. Perhaps they could not help that, but from that day to this the farmers have been greatly handicapped because they have had to sell their products at prices lower than production costs. Wheat which was costing them sixty cents to produce had to be sold for forty or forty-five cents. Cattle which cost five and a half cents per pound to raise were sold at from two cents to three cents, and sometimes as low as one and a half cents. While such a condition exists there can be no hope, because nothing but chaos stands before the primary producers.

When the present government took office they could not control the fall of farm prices, but they should have so planned that the little money the farmer did receive would go farther. They should have planned a reduction in the prices of other commodities so that those prices would harmonize with the prices received for farm produce. The government failed in that respect. On the contrary they increased tariffs on barbed wire and cream separators, commodities which probably since confederation, had entered this country free of duty. A duty of ten per cent was levied against barbed wire and of twenty-five per cent against cream separators. The duties on binders, drills, cultivators and a

long list of other agricultural products were increased from six per cent or seven and a half per cent right up to twenty-five per cent. The duties on cotton and woollen goods were increased from twenty and twenty-four per cent to forty and forty-six per cent. These increased tariffs failed to reduce commodity prices; in fact, they had the very opposite effect. This factor, together with the adverse exchange rate, which lowered the prices still further, has impoverished the farming community to the point where, in the district from which I come, people are asking that some of the surplus wheat be ground and shipped to them so that they may have feed for their stock.

I wish to suggest one method by which the government might attempt a solution of this problem. We have heard a good deal about the manner in which other countries have helped their farmers. We have heard how foreign wheat and agricultural products have been shut out by high import duties and bonuses. These measures have been taken in the United States, France, Italy, Germany and other European countries. We in Canada have not given our farmers the same treatment. True, one year they were given a bonus of five cents a bushel on wheat, but we find that a sister country within the empire, namely Australia, has given nine cents a bushel and given it continuously. Through Mr. McFarland efforts have been made to stabilize the price of wheat but as yet we do not know what effect these will have. We are facing desperate conditions because agriculture is in a desperate situation. Surely we are not bankrupt in salesmanship, and I suggest that we approach these countries which have been good customers of ours in days gone by and say to them: We produce the products of the farm, of the mine, of the lake, of the sea and of the forest; we are equipped to transport and to store those products; you have your old-age industries which have learned to produce certain articles very cheaply; will you not exchange with us some of the products of your industries in return for some of our products? This would do something to increase world trade, and we all know that the hard times came to Canada when world trade fell off. According to the figures given by the minister, in 1930 our total trade was $2,393,212,000, while this year it will probably be only $1,019,459,000, less than half. Surely these countries could be persuaded not to take men from the factories and put them on the land where at great expense and with great effort they produce the lowest grade of wheat from land which is most unsuited for agriculture.

[Mr. Gershaw.]

In closing I wish to bring to the attention of the minister one other way in which the people on the farms might be greatly benefited. I refer to the sugar beet industry. In southern Alberta the economic welfare of many thousands of families depends upon this industry. The growing of sugar beets in southern Alberta has definitely passed the experimental stage; it is now an accomplished fact. This particular part of the country is specially suited for the growing of sugar beets with a high sugar content. With irrigation, with the fertile soil and with the sunshine for which this section is noted, the possibilities of this crop are almost unlimited. But progress in this connection has been almost at a standstill. In 1911 Canada produced 29,000,000 pounds of sugar from sugar beets, and twenty-two years later the production had risen to only 132,000,000 pounds. Each year we consume in Canada 939,000,000 pounds of sugar. I should like to read an extract from a London, England publication, entitled Empire Production. It reads as follows:

> The prairie provinces themselves import $10,000,000 worth each year. This might well be supplied by six or seven more factories like that at Raymond cultivating from sixty to seventy thousand acres, giving employment to 5,000 farmers, 8,000 hand labourers and 2,000 factory workers and using each year 125,000 tons of coal, 1,500,000 sugar bags, 30,000 tons of lime rock, 3,000 tons of coke, 200 tons of soda ash and large supplies of other materials.

The British investor has been very patriotic. He has been willing to pour his money into many parts of the British Empire but the investments he has made in Canada have proved unprofitable. Through the Canadian Pacific Railway and the Southern Alberta Land Company, British and other investors have invested $35,000,000 in irrigation projects. The future of that section depends upon the success of these projects, and the success of these projects depends upon the growing of sugar beets. Other types of farming cannot be carried on successfully. Irrigation farming means diversified and intensive farming. The method of summer fallowing which is used in working dry land is not feasible with irrigated land, as the water takes out that which summer fallowing will not restore. It is also too expensive to leave half the land idle in summer fallowing. A rotation of cultivated crops is required, and in that particular region the sugar beet is the only root crop which can be profitably grown. Experiments have been made with the soya bean, but they have not proved satisfactory as it has been impossible to find a species which will grow. The growing of sugar beets would give employment to a great

many people if factories could be established to manufacture the sugar. The one factory which we have distributes $1,800,000 annually in the purchase of supplies. I have frequently quoted the findings of the committee which sat in 1932, and I should like to quote again the final finding of that committee. It was:

Your committee further recommends that if no successful attempt is made in the immediate future by the refineries to increase the facilities for the manufacture of beet sugar the government should take into consideration steps to accomplish this end.

What we need is not an increased capacity by the one factory we have but the establishing of a number of factories spaced over a wide area. Why has production been so slow in Canada? At the present time we manufacture something like fourteen per cent of the sugar we consume, and I should like to give some of the things which are required to increase our production of sugar. With your permission, Mr. Speaker, I should like to place on Hansard some of the particulars of the assistance which Great Britain has given to her sugar beet growers.

The subsidies paid by Great Britain are as follows:

Year—	Amount
1925	£1,250,000
1926	3,225,859
1927	5,400,000
1928	4,250,000
1929	4,250,000
1930	6,022,972
1931	2,375,000
1932	2,400,000
1933	3,350,000
1934 (estimated)	3,300,000

Every country in the world has helped its sugar beet industry. If this industry is to prosper there should be some adjustment made in freight rates and the five refineries throughout Canada should endeavour to expand their production of beet sugar in accordance with the recommendations of the committee. In order to have an economic unit you must have a mill costing about $1,250,000 with a capacity of 1,200 tons per day. You need freight protection, and there should be some arrangement by which the refineries now enjoying the market exclusively would be forced to expand sufficiently to manufacture beet sugar in the districts in which beets are grown. Also a campaign is needed to persuade people to use beet instead of cane sugar. I have brought these things to the attention of the house because I believe that in that part of the country from which I come this is one factor which provides the greatest help in the welfare of the country.

On motion of Mr. Simpson (Algoma) the debate was adjourned.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

Tuesday, April 24, 1934

The house met at three o'clock.

PRIVATE BILLS

FIRST READING—SENATE BILLS

Bill No. 59, for the relief of Archibald Bruce Elliott Smart.—Mr. Bell (St. Antoine).

Bill No. 60, for the relief of Lilac Violet Grumbell Reid.—Mr. Casselman.

Bill No. 61, for the relief of Lily Archer Watson.—Mr. Bell (St. Antoine).

Bill No. 62, for the relief of Annie Isabel Tinning Meldrum.—Mr. Bell (St. Antoine).

Bill No. 63, for the relief of Lois Theresa Malcolm.—Mr. Bell (St. Antoine).

CANADIAN NATIONAL RAILWAYS

WASHOUT AT MATAPEDIA, BONAVENTURE COUNTY

On the orders of the day:

Hon. CHARLES MARCIL (Bonaventure): I wish to thank the Minister of Railways and Canals for his kind attention to the matter to which I directed his notice the other day regarding the interruption of service at Matapedia on the Canadian National railway. I understand from press dispatches that there is some improvement. I would like to know from the minister whether there is any further information.

Hon. R. J. MANION (Minister of Railways and Canals): I have been more or less in touch with the matter and I have sent to my hon. friend and also to the hon. member for Gloucester (Mr. Veniot), who have been inquiring, a number of statements regarding it. To-day the report from Montreal is that the flood at Matapedia has subsided, the track has been repaired and the trains are running on regular schedule.

MARKETING ACT

ORGANIZATION TO IMPROVE METHODS AND PRACTICES IN MARKETING NATURAL PRODUCTS

The house resumed from Friday, April 20, consideration of the motion of Mr. Weir (Melfort) for the second reading of Bill No. 51, to improve the methods and practices of marketing of natural products in Canada and

in export trade, and to make further provisions in connection therewith, and the amendment thereto of Mr. Mackenzie King.

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): Mr. Speaker, on a point of order; when on Thursday the 19th instant this measure came up for second reading, the Minister of Trade and Commerce (Mr. Stevens), at the outset of his remarks, in reply to mine, raised a point of order. This will be found on page 2352 of Hansard:

Hon. H. H. Stevens (Minister of Trade and Commerce): Before I address myself, Mr. Speaker, to a discussion of the measure before the house I should like to raise the point of order whether the amendment submitted by the right hon. gentleman (Mr. Mackenzie King) is in order, inasmuch as it constitutes what might be termed a declaration of policy, instead of offering reasons why consideration of the bill should not be proceeded with or should be postponed, or proposing something else germane to the actual motion before the house. I do not raise the point of order with the view of getting an immediate ruling but would request Your Honour to give it consideration, and my remarks also will serve to give hon. gentlemen opposite notice of the point of order.

What I wish to point out now is that thus far there has been no opportunity to discuss the point of order which has been raised and I hope before Your Honour gives a ruling you will see that such an opportunity is given to hon. members.

Mr. SPEAKER: I think this would be a proper time to discuss the point of order and if any hon. member wishes to address the chair on it, I shall be glad to hear him. I have been giving the matter a good deal of attention since it has come up.

Mr. MACKENZIE KING: I would like to submit that the amendment is entirely in order. In doing so I wish first of all to distinguish clearly between the purposes and the principles of the bill. The Prime Minister (Mr. Bennett) himself noted the distinction between purpose and principle when in speaking on this measure in the house on March 26 he said as reported on page 1809 of Hansard:

In moving his resolution the minister is not supposed to do more than to state the general purposes of the measure. On the introduction of his bill, when asked, as I understand the rules he should, he may give a succinct statement indicating the general purposes of the legislation, and the principles to be crystallized into legislative form.

I draw attention to the distinction which the Prime Minister very properly made, and at that time drew to the attention of the house, between the purposes of the legislation and the principles to be crystallized into legislative form. The Prime Minister further said as reported on page 1810:

The motion for second reading will involve the approval or the disapproval of the general principle indicated by the bill.

A little further on he said:

But general legislation, upon which the government has determined its policy, is usually submitted to a committee of the whole house.

And the government pursuing the intention therein expressed has in mind I understand submitting the bill to a committee of the whole house rather than sending it to a standing committee. In other words, the government has decided its policy as it is expressed in the legislation, and there is not open for further discussion in committee the question of policy with respect to its provisions as was the case for example in connection with the bill respecting the creation of a central bank. In that case the Minister of Finance made it quite clear that the question whether there was to be public or private ownership of shares, or public or private control, was a perfectly open matter, something that could be discussed in the committee to which the bill would be sent. But in this case, in the light of what the Prime Minister has said, the government has indicated by its action in not permitting the bill to go to a standing committee, and the reasons given by the Prime Minister therefor, that the principles embodied in the legislation indicate the government's final policy.

At the time of submitting the amendment I was careful to look up Your Honour's previous rulings in the house, to see that the amendment that was moved would be in order. I would like to read the amendment itself and then Your Honour's latest ruling on a question of order in the case of an amendment on second reading, to see if the amendment does not give ample evidence of being entirely in order. The amendment is:

This house, while prepared to support legislation for assisting the orderly marketing of natural products, is unalterably opposed to the enactment of any compulsory measure which delegates to unnamed and undetermined individuals, groups or organizations, sweeping powers over the production and trade and commerce of the nation, and which confers upon a minister of the crown and upon the governor in council unprecedented authority and unusual powers to restrict production, and interprovincial, inter-Imperial, and foreign trade as regards both exports and imports, as well as other autocratic powers.

Your Honour in ruling the other evening in regard to a measure before the house, the last I think on which Your Honour gave a

ruling, namely that relating to the freight rates bill, drew attention under standing order 75 in regard to second reading to citation 755, as set forth in Beauchesne which is as follows:

It is also competent to a member who desires to place on record any special reasons for not agreeing to the second reading of a bill, to move as an amendment to the question, a resolution declaratory of some principle adverse to, or differing from, the principles, policy, or provisions of the bill, ...

My purpose in moving that amendment was to give special reasons for not agreeing to the second reading of the bill, and in so doing I therefore moved an amendment which would be declaratory of some principle which is adverse to the principles and policy and provisions of the bill.

As to what are the principles, policies and provisions of the bill, there can be no mistake, once one looks at the measure. As I have said, the purpose of the bill as set forth in the title is to improve the methods and practices involved in the marketing of natural products and export trade by means of regulation. Regulation is a method, a process, a matter of procedure, not a principle. Regulation is a purpose which all parties in this house hold in common. That is not the principle of the bill, any more than the establishment of a dominion marketing board as such is the principle of the bill. The purpose of the bill is that of regulating and improving production—

Mr GUTHRIE: If I may ask a question; suppose my right hon. friend's amendment were to carry, what would become of the bill?

Mr. MACKENZIE KING: The second reading could be revived later on. The amendment declares, in the meantime, for its being based on a principle that is adverse to that which hon. gentlemen opposite have embodied in the legislation. The amendment would mean that the bill would not now be read a second time et cetera. May I go on and refer to the question of the principle? Without any question the principle of this bill—one of its principles—is to take away from parliament and to entrust to bodies delegated for the purpose the right of making regulations which would have the force of law and be enforceable by fine and imprisonment; to take that power away from parliament itself and give it to other bodies still to be created. That is a principle that from our point of view completely undermines the authority of parliament. It is, I contend, a principle that should be maintained above all others by the House of Commons. But the bill goes still further and gives to the governor in council power to restrict trade, to prohibit both imports and exports by order in council. Our contention is that the regulation of trade is a duty which should be performed by this parliament, not delegated to any governor in council. The governor in council should have no more right to place an embargo on exports and imports or to restrict importation or exportation of commodities than to do away entirely with the tariff. The control of the tariff should remain with this parliament. The amendment is declaratory in the clearest terms of the assertion of the willingness of the opposition to have parliament pass the necessary measures for the regulation of trade and marketing, but it contemplates having this done by the House of Commons itself, combined, of course, with the Senate.

In case there should be any question whatever as to principles underlying the present bill being those of taking away from parliament control over trade and over production, also over expenditures arising out of the legislation, and being the principles underlying limited production and restricted trade and the creation of monopolies, let me refer specifically to certain provisions; because as the rule I have just read points out, an amendment may declare principles adverse to or differing from the principles, policies or provisions of the bill. These are some of its provisions. Section 3 provides:

(1) The governor in council may establish a board to be known as the dominion marketing board to regulate the marketing of natural products as hereinafter provided.

With this should be read subsection (a) and (f) of section 4 which shows how it is "hereinafter provided."

(a) to regulate the time and place of marketing the regulated product, and to determine the manner of distribution and the quantity and quality or grade of the regulated product that shall be marketed by any person at any time, and to prohibit the marketing of any of the regulated product of any grade or quality;

(f) to require any or all persons engaged in the production or marketing of the regulated product to register their names, addresses, and occupations with the board, or to obtain a licence from the board, and such licence shall be subject to cancellation by the board for violation of any provision of this act or regulation made thereunder;

Then section 5 provides:

(1) A representative number of persons engaged in the production and marketing or the production or marketing of a natural product may petition the governor in council to approve a scheme for the regulation of the marketing of such natural product by a local board under the supervision of the board.

(3) Upon receipt of a report from the board recommending the approval of the scheme as submitted or as amended by the board, the minister may recommend the approval thereof,

and the governor in council may thereupon approve the said scheme and fix the date when the same shall be effective.

Section 6 provides that:

(1) When a scheme has been approved by the governor in council, the minister shall give public notice thereof in the Canada Gazette.

(2) The provisions of the scheme as approved shall have the force of law, and the local board shall, from the date of the publication of the said notice of approval, be a body politic and corporate.

And again section 9:

(1) Notwithstanding that no petition in relation to any natural product has been filed, the minister may, if he is satisfied that the trade and commerce in the said product is injuriously affected by the lack of a local board to regulate such product, at any time propose a scheme for the marketing of such product, and the governor in council may approve of such scheme and authorize the board to administer such scheme directly or through any agency which it may establish. Such scheme shall continue in force until terminated by the governor in council.

12. (1) The governor in council may, by order or regulation published in the Canada Gazette, restrict the importation into Canada of any natural product which enters Canada in competition with a regulated product, and the governor in council shall have power to make regulations to provide for the licensing by the minister of importers, or otherwise to enforce any order made hereunder.

(2) The governor in council may, by order or regulation published in the Canada Gazette,—

(a) provide that any natural product shall not be exported from Canada without a licence;

(b) prescribe the forms of such licences, the terms and conditions thereof and the persons who shall have authority to issue the same;

(c) impose penalties for breach of any such order or regulation or of any licence issued thereunder, and, generally, make such provision or authorize the doing of such acts or things as may in his discretion be deemed necessary or expedient for giving full effect to any orders, regulations or licences made or issued hereunder.

Then I refer to section 14:

14. Every person who fails to comply with any order or determination of the board or of a local board or any regulation of the governor in council shall be guilty of an offence and punishable on summary conviction with a fine of not less than twenty-five dollars and not more than five hundred dollars, or to imprisonment not exceeding three months, or to both fine and imprisonment.

In part 2, which deals with investigations, it will be found that very similar powers are given to bodies as yet undetermined. I submit that the reading of these sections leaves no doubt whatever that the principles underlying this measure are first that of limiting production, second that of restricting trade and third doing both these things by creating monopolies with regard to certain products that are to be marketed. And fourth, all this is to be done, not by an act of this parliament which will leave the matter in a known and finally determined condition when the bill is signed by the representative of the crown and becomes law but by giving these powers to bodies that are still to be brought into existence and giving to the governor in council, rather than having held within the control of this parliament, the power to restrict both imports and exports and the control of all expenditures under the act. Our position, Mr. Speaker, is that we are wholly favourable to the regulation of trade to improve marketing conditions, but that the regulation and marketing should be by act of this parliament in accordance with parliamentary procedure and practice and not by bodies other than parliament itself.

In conclusion may I by way of illustrating what I have in mind direct attention to the amendment that was moved on the second reading of the Unemployment and Farm Relief Continuance Act, Bill No. 24, which amendment came before the house on March 30, 1932, and which Your Honour permitted to remain before the house and to be voted upon as entirely in order. I submit that the present amendment as regards the points at issue, is on all fours with that amendment, which was moved by the hon. member for Vancouver Centre (Mr. Mackenzie) and seconded by the hon. member for Shelburne-Yarmouth (Mr. Ralston). The name of the bill was Unemployment and Farm Relief, that was its purpose. The amendment, which was directed not at its purpose, or name, but at the principles upon which it was based, was as follows:

That this bill be not now read a second time but that it be resolved:

1. That this house has been from the commencement of the session and continues to be ready and willing to consider and vote without delay any money or grant, submitted and asked for by the government for relieving distress and providing employment throughout Canada.

2. That this house cannot surrender the rights of the people of Canada, through their representatives in parliament, to maintain direct control over matters of taxation and expenditure, nor vest in the governor in council or in any other body absolute and despotic powers under the guise of dealing with peace, order and good government, particularly while parliament is in session.

I repeat that as regards the points involved in this discussion the amendment now before the house in regard to this marketing act is on all fours with the amendment which was held to be in order in 1932.

Mr. BENNETT: Surely the right hon. gentleman does not mean that.

Mr. MACKENZIE KING: I do.

Mr. BENNETT: The right hon. gentleman has just read that previous amendment, which contains the words "that this bill be not now read a second time." There is nothing like that in the amendment now before the house.

Mr. MACKENZIE KING: There is a declaration of principle adverse to that set forth in this bill.

Mr. BENNETT: "That this bill be not now read a second time."

Mr. MACKENZIE KING: That is not the essential point, if I may say so with all deference to the Prime Minister. The rule governing the matter reads:

It is also competent to a member who desires to place on record any special reasons for not agreeing to the second reading of a bill, to move as an amendment to the question—

Not that the bill be not now read a second time, which is what the Prime Minister is saying, but—

—a resolution declaratory of some principle adverse to, or differing from, the principles, policy, or provisions of the bill—

I submit that this is exactly what is done in the amendment to the marketing bill now before the house. That amendment is declaratory of principles that are adverse to and that differ from the principles, policies and provisions of the bill before the house.

Hon. H. H. STEVENS (Minister of Trade and Commerce): Mr. Speaker, the other evening I raised the point of order in connection with this amendment. In the first place may I point out to you, sir, that the motion before the house is that Bill No. 51 be now read a second time. The right hon. leader of the opposition (Mr. Mackenzie King) has moved a rather lengthy amendment which he says is a declaration of principle, but I would invite Your Honour to give attention to the first three lines of the amendment. It must be borne in mind that the motion is that the bill before the house be now read a second time. On the second reading of a bill it is customary to discuss the main principles of the bill, leaving such matters as the detailed interpretation of clauses to the committee of the whole, where it is understood the minister can give individual replies. The amendment opens with these words:

This house, while prepared to support legislation for assisting the orderly marketing of natural products—

Bill No. 51 is clearly for that purpose; its title reads:

An act to improve the methods and practices of marketing of natural products in Canada and in export trade, and to make further provision in connection therewith.

That is the main object and principle of the bill, and the mover of the amendment says he is quite willing to support legislation to assist orderly marketing. Then he continues with a series of declarations, and the right hon. gentleman now argues that according to his interpretation certain clauses in the bill do violence to certain principles which he chooses to include in his amendment. I submit, sir, that this is all a question of opinion and subject to debate. In order to point out to the house the way of consistency in these matters I should like to direct attention to Bill No. 26, respecting fruit, which passed through this house a few weeks ago and was given third reading, and which has been sent to another place. In that bill, which already has been approved by the house, many of the clauses are very similar to the clauses which the right hon. gentleman complains are objectionable to him in the bill now standing for second reading. I find the following section in the bill which has been passed by the house:

The minister may from time to time make regulations:—

Then follows a long list of regulations which may be made. I invite Your Honour to recall that the right hon. gentleman specifically objected to subsection (a) of section 4 of the bill standing for second reading, which provides for the fixing of grades and so forth in order to control the quality and the movement of goods by quality as well as by quantity. In this act, which was approved by the house, and in connection with which the house has placed itself on record—

The minister may, from time to time, make regulations

(a) To establish one or more grades for each kind of fruit and in establishing any such grade, provision may be made to allow for variation—

"Variation," and all the details are not mentioned in the bill. The minister is empowered to do this by regulation. That is the point the right hon. gentleman complained about. Then, farther down in the bill we find this:

(g) To prescribe the time when any regulation shall come into operation, the particular kind or kinds of fruit and fruit packages—

And so on. And in the light of the right hon. gentleman's complaint, I ask the house to follow this:

(h) To provide that all or any kind of imported fruit or fruit packages shall be subject to certain or all regulations made under this act—

In other words, we have already exercised the powers which the right hon. gentleman now presumes to condemn in his resolution. Mr. Speaker, in the first place I challenge the declarations contained in the amendment offered by the right hon. gentleman as being a fair criticism of the bill. I challenge them as being the principles which he declares he wishes to enunciate in contradistinction to the bill itself, because the measures in the bill are not in any sense a violation of many of these so-called declarations of principle. It is merely the extreme interpretation he may put upon them. That is a fair matter for debate in the house, but it is not a question which can be, shall I say, eliminated or overcome by the moving of an amendment.

Now then, sir, may I make some observations as to the effect of the amendment. This bill is a government measure, and if the amendment were accepted I presume the effect would be that which usually follows the defeat of a government measure. I repeat, this is a government measure. Then, the right hon gentleman moves a resolution,—it is not an amendment to the resolution before the house, at all. It is not an amendment to the motion that the bill be read a second time. There is no reference to that at all, and that is what is before the house. But it is permissible at that point to discuss the bill.

Mr. SPEAKER: I think the hon. member is mistaken. The right hon. leader of the opposition's amendment begins:

That all the words after the first word "that" be struck out and the following substituted therefor.

The words that follow the word "that" are in connection with the second reading.

Mr. STEVENS: May I, with all due deference to Your Honour, submit that although he did not include that in the amendment, it does not alter my point at all.

Mr. CASGRAIN: Yes it does.

Mr. STEVENS: No it does not.

Mr. MACKENZIE (Vancouver): Look at page 2352 of Hansard second column, fifth line, where the right hon. leader of the opposition said:

I beg to move, seconded by Mr. Stewart (Edmonton) that all the words after the first word "that" be struck out.

Mr. STEVENS: Yes, but it does not say a word about this bill not being read a second time. It does not touch the point or the resolution before the house, at all. It is pointed out that all that is left of the original motion is the word "that." I pointed out that the amendment does not make any reference as to what shall be done with the reading of the bill. The motion before the house is "that the bill be now read a second time." The right hon. gentleman has just cited the rule.

Mr. CASGRAIN: What is the rule?

Mr. STEVENS: The rule which the right hon. gentleman invoked in his own support reads as follows:

It is also competent to a member who desires to place on record any special reasons for not agreeing to the second reading of a bill, to move as an amendment to the question, a resolution declaratory of some principle adverse to, or differing from the principles, policy, or provisions of the bill—

But my right hon. friend has not so done. He has said he is in favour of the principle.

Mr. CASGRAIN: "Or provisions."

Mr. STEVENS: My right hon. friend said to-day, he said it the other day, and he said in his amendment that:

While prepared to support legislation for assisting the orderly marketing of natural products—

That is an approval of the principle of the bill.

Mr. MACKENZIE KING: That is the purpose of it.

Mr. STEVENS: That is the principle of it, without any question. Then the rule goes on—

—or expressing opinions as to any circumstances connected with its introduction.

There is nothing in this amendment to meet that point. Then—

—or otherwise opposed to its progress.

He does not offer an amendment "that it shall be read this day six months" which is the common method used. Then the rule goes on—

—or seeking further information in relation to the bill by committees, commissioners, the production of papers or other evidence—

In other words, should this bill involve matters which have been dealt with by some public body, involving public documentation, it is competent to a member to request delay in reading in order that these documents may be laid on the table of the house. That is as far as the rule goes.

But the preceding rule deals with the matter in a different way. It states:

The opponents of the bill may vote against the question that the bill "be now read a second time"; but this course is rarely adopted as it still remains to be decided on what day it shall be read a second time, or whether it shall be read at all; and the bill therefore is still before the house, and may afterwards be proceeded with. The ordinary practice is to move

an amendment to the question by leaving out the word "now" and adding "six months" or any other term beyond the probable duration of the session.

My submission is, first, that the resolution or amendment is out of order inasmuch as it does not directly apply to the resolution before the house. In the second place I suggest that the right hon. gentleman has not offered to the house in support of his amendment arguments to justify the position declared in the amendment. And, in the third place, I submit to the house, as I said a moment ago, that if the house desires to be consistent it ought to bear this in mind, that a similar bill, carrying many provisions including penalties, regulations which were not set forth, power to make regulations, power to impose penalties and many other matters included in Bill No. 51, has already been approved by this house during the present session.

Therefore, Mr. Speaker, my argument is that the amendment is not in order, and is not competent to be accepted by the house.

Hon. IAN MACKENZIE (Vancouver Centre): Mr. Speaker, I should like to say just a word or two on the point of order. The first objection taken by the hon. gentleman opposite (Mr. Stevens) was to the style and cause of the introduction to the amendment, namely, "That all the words after the word 'that' be struck out and the following substituted therefor." I submit that the proper introduction to an amendment such as that now before the house is that appearing in the amendment. The striking out of the word "now" could apply only to the six months' hoist. I state that this amendment is entirely different, because it is a determination of principle, a matter entirely different from a six months' hoist.

In the second place, Mr. Speaker, I should like to refer to the remarks of the Minister of Trade and Commerce when he raised this point of order. His objection was on one point, and on one point only. May I quote his words:

> I should like to raise the point of order whether the amendment submitted by the right hon. gentleman (Mr. Mackenzie King) is in order, inasmuch as it constitutes what might be termed a declaration of policy, instead of offering reasons why consideration of the bill should not be proceeded with. . . .

Mr. STEVENS: May I say it will be recalled that we had no notice of the amendment. I never saw it until the right hon. gentleman read it. I was compelled to make a brief statement, and I simply reserved the right to make the point of order later on.

Mr. MACKENZIE (Vancouver): I am not in the slightest degree criticizing my hon. friend, but I do submit that the only point of order before the house at the present time is that this amendment which was raised by the right hon. leader of the opposition was out of order on one ground, and that the ground was then, in the language of the Minister of Trade and Commerce—

> Inasmuch as it constitutes what might be termed a declaration of policy, instead of offering reasons why consideration of the bill should not be proceeded with. . . .

Now, let us read again the general rule, namely section 755, which is amplified in May at the foot of page 390, also at page 39 of the same volume and by Bourinot at page 509. These rules describe the procedure adopted in moving the six months' hoist, in connection with which the proper introductory appellation is as mentioned by the Prime Minister. But the proper appellation for this amendment, the amendment now before the house is found in the words used by the leader of the opposition. The rule is as follows:

> It is also competent to a member who desires to place on record any special reasons for not agreeing to the second reading of a bill, to move as an amendment to the question, a resolution declaratory of some principles adverse to, or differing from, the principles, policy or provisions of the bill.

Although my hon. friend the Minister of Trade and Commerce and my right hon. leader may differ as to what the principle of this bill is, I say that even that is not germane to the question whether or not the amendment is in order because it goes much further than the word "principle" and deals with policy—the very question which the Minister of Trade and Commerce himself raised on the point of order, as to the policy or provisions of the bill. My friends opposite may say that the principle of the bill is marketing. We say that it is not. We say that the principle of this bill goes much further and that the policy and provisions of the bill establish and prove the truth of the language that is used in the amendment. What is that language?

> —any compulsory measure which delegates to unnamed and undetermined individuals, groups or organizations, sweeping powers over the production and trade and commerce of the nation.

My hon. friends may say that that does not exist in the bill. But that has absolutely no relevance, not in the slightest degree, to the argument whether the amendment is in order. We can enunciate, by way of amendment, the general principle which we believe

to be embodied in the clauses of this bill, and whether or not our friends opposite differ with us that is a matter of political argument. The amendment goes on:

> —and which confers upon a minister of the crown and upon the governor in council unprecedented authority and unusual powers to restrict production, and interprovincial, interimperial and foreign trade as regards both exports and imports, as well as other autocratic powers.

The only argument which my hon. friend the minister brings up here is: You passed the Fruit Act the other day. Does he seriously think that the extraordinary and extensive powers of this bill are comparable in the slightest degree to the provisions of the Fruit Act? Where do we find in the Fruit Act the unnamed and undetermined boards and the tremendous delegated authority that you have in this bill? If I wanted to indulge in an argument on the merits of the bill, I might say that I am prepared to support a marketing bill such as is asked for by the producers of British Columbia. But that is not Bill No. 51.

My hon. friends opposite will tell me that we can alter the bill in committee, but I say, Mr. Speaker, that it is the duty of every member of this house who is opposed to the actual principle, policy and provisions of Bill No. 51 to vote against that bill on the second reading or to vote for a generous amendment such as we have now before us, and not simply to be satisfied with the assurance of the Minister of Agriculture and of some other speakers that this bill may be amended in committee. We do not know what the amendments are going to be.

I am not opposed to the principle of marketing; I am in favour of orderly marketing; but I am opposed to this unprecedented delegation of authority to unnamed boards and to an unnamed number of boards throughout the country, to which are to be delegated powers which never before have been delegated by a parliament of Canada.

To recapitulate, Mr. Speaker, there is not the slightest comparison between the Fruit Act and this bill. The Fruit Act is under the control of the minister. It contains provisions for regulations; but what have we in this bill? Unnamed and undetermined boards functioning throughout Canada, together with most unusual provisions and policies.

There is another question in regard to the Fruit Act. I am aware, Mr. Speaker, of the rule which you will find referred to in May, and under which the words "any compulsory measure" might be taken objection to. But May had reference to an old English case where an amendment containing the words "any compulsory measure" and imposing burdens on the people was ruled out of order because at that time there were other bills before the house by which such burdens were imposed. But I say, Mr. Speaker, that there is no other such bill before this house. The Fruit Act has been disposed of. This imposes compulsory obligations upon the people and establishes unnamed and undetermined boards. So I submit, Mr. Speaker, on the actual point of order raised by the minister himself that he is absolutely ruled out of court by rule 755 and by Bourinot and May. In the second place, it is not the principle of this bill; it is the policy and provisions of this bill which are referred to in section 755.

Right Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, it is a little difficult to explain just why this amendment should be in order. In the first place, we have to determine what the rules are with respect to debate on the second reading of a bill. The rules of this house are the rules of the English house, that the principle of the bill is to be discussed, but instead of the principle being discussed the right hon. gentleman has to-day again discussed the sections.

The other evening when the hon. member for Macleod (Mr. Coote) raised a question as to the principle of the Bank of Canada bill and referred to the provisions in that bill dealing with the ownership of the shares he said, "One of the principles that I declare for is public ownership." The right hon. leader of the opposition then rose in his place and asked: "What is the principle of this bill?" And he went on to say that the principle was that there is to be a central bank. Now the principle of the bill before us is that there is to be a marketing board.

Secondly, the right hon. gentleman has this afternoon suggested that because that Bank of Canada bill was to go to a committee of the house there was a distinction to be drawn between it and this bill, which is to be considered by a committee of the whole house. But the conclusion that he should have drawn was exactly the opposite of that which he did draw, for a committee composed of part of the house can never have the power that a committee of the whole house has, and it was competent, as the Minister of Agriculture said, when he introduced the bill, for this house to make suggestions which it thought proper for the purpose of amending this bill. When the hon. member for Vancouver Centre (Mr. Mackenzie) suggested that we did not know what the amendments were to be, he immediately begged the question for it is for this house to suggest such amendments as may

seem desirable after debate and discussion in order that there may be a clear appreciation and understanding of the desirability of accepting any amendment in lieu of the existing sections. That is the position as it stands up to the time when the amendment is moved.

Now what is the test? The test is a simple one. What will happen if the amendment carries?

Mr. YOUNG: Withdraw the bill and bring in a better one.

Mr. BENNETT: But the bill will not be withdrawn. It will disappear.

Mr. MACKENZIE (Vancouver): No. Read rule 756.

Mr. BENNETT: The bill may be moved to be put back on the order paper, but it disappears from this order paper and it can only be put back upon a motion being made to that effect. When it disappears from the order paper what takes its place? A bill? Oh no; a pious hope that straddles the fence and speaks for both sides. In other words, their principle is: "We want to be on both sides of this measure. We want to say in the country that we have supported orderly marketing. But also we want to say we opposed this bill."

Mr. MACKENZIE (Vancouver): Right.

Mr. BENNETT: The hon. member is perfectly frank, but the rules are not predicated on that assumption. The rules are predicated on the assumption that members of parliament have opinions and convictions which they are prepared to back up with their votes.

Mr. McINTOSH: As the electors of South Oxford did.

Mr. BENNETT: I would not for a moment, Mr. Speaker, miss any pearly word of wisdom. I thought I heard one, but it seems I was mistaken. I was about to say that the test is: What would happen if this amendment carried, if it is in order? If it is in order there must at least be something happen in the way of destroying the bill that is before the house. But that is not what hon. gentlemen opposite want to do. They say in the preamble of the amendment: We are for marketing. Then they go on to say: But we are against this kind of marketing. That means that they are in favour of the principle of the bill, and the principle of the bill is marketing.

Some hon. MEMBERS: No.

Mr. BENNETT: The right hon. gentleman stood in his place the other night and reproved the hon. member for Macleod because he was asserting that he had a right to advocate a publicly owned bank as one of the principles of the Bank of Canada bill, and he asked; What is the principle of the bill? And he answered, that we have a central bank. The principle here is: Shall we have a marketing board? Yes or no? You cannot escape your responsibility under our rules by setting up a resolution that lets you support the bill in one breath and oppose it in another. That is what the rule is designed to prevent. It insists that there should be a clear cut division of opinion upon the issue. The issue is a marketing bill—yes or no?

Mr. MACKENZIE KING: Is this bill confined simply to marketing or is it by its title not also related to export trade?

Mr. BENNETT: Anything that is incidental to marketing must be dealt with and marketing touches every phase of trade and commerce so defined. The principle is a marketing bill and if the genius of the house evolves better provisions than those that obtain, it is open to the house to suggest what they should be. That is the position at the moment. The amendment is that all the words after "that" be struck out. The motion is that the bill be read a second time, therefore, all the words after "that" are to disappear and in place of those words we are to have substituted a mere safeguard which says: We are in favour of the principle of this bill, namely, a marketing board but we do not like some of the provisions that arise out of the application of that principle. Can that be in order? It is not in order, it is a matter for the committee. The principle of the bill is to be decided on second reading and there is an assertion of adherence to the principle in the first three lines of the amendment now before the house. If this were to be adopted instead of a motion for the second reading of the bill we would have these words:

> This house, while prepared to support legislation for assisting the orderly marketing of natural products, is unalterably opposed to the enactment of any compulsory measure—

That cannot be an amendment to this motion because it declares favourably to the principle. The very words read by the hon. member for Vancouver Centre (Mr. Mackenzie) were, "opposed to the principle of the measure." That is, you can move a resolution opposed to the principle of the motion but you cannot move one that asserts your proud adherence to the principle of it and your abhorrence to the provisions in its details. I submit that the motion is out of

order for that very reason. You cannot approbate and reprobate in the same amendment, to use the language of Lord Elgin. Here they approbate by stating that they approve of a marketing board, then they reprobate, not the motion but the details of it. This is the reason why I submit with confidence that the amendment is out of order.

Hon. J. L. RALSTON (Shelburne-Yarmouth) With regard to the matter of principle to which my right hon. friend (Mr. Bennett) has referred, I submit that he is mixing up the principle with the name of the bill. I do not think he ought to suggest and I do not think he can fairly suggest that because this bill happens to have in its title the word "marketing," therefore that is the only principle or provision in the bill. He cannot by introducing a bill which has the word "marketing" in its title prevent us from moving an amendment to the motion for second reading in order to register disapproval of its many provisions which are not germane to marketing and which may have a much wider significance. My right hon. leader has referred already to the fact that this bill contains not only provisions for marketing but provisions for restricting imports and exports. It contains also provisions to make crimes where no crimes existed before. My right hon. friend is suggesting that by calling it a marketing bill, you make marketing the principle of the bill and that if you are in favour of marketing, then perforce you must let it have second reading and go to committee no matter what other objectionable provisions there are. Reference has been made to rule 755 but my right hon. friend has missed entirely some words which are most important in connection with this resolution, namely, that we can move a resolution declaratory of some principle adverse to, or different from the "principles, policies, or provisions" of the bill. I emphasize particularly the word provisions. That is exactly what we are doing.

My right hon. friend mentioned the central bank legislation. In that case it was distinctly laid down by the Minister of Finance (Mr. Rhodes) that a central bank was the only thing to which we were committing ourselves by that resolution. The questions of share ownership and other possible knotty problems were to be left quite open for discussion. The Prime Minister is now suggestng that we must simply open our mouths and shut our eyes because of the fact that the term "marketing" is in the title to this bill and that we must swallow the whole bill and allow it to go to the committee if we are in favour of marketing. I submit that that is not what the rules provide. They provide that simply because the word "marketing" appears in the title you are not bound to accept that as the only principle of the bill, that you have a right to examine it to find out what else is in it. The rules provide that you may move a resolution declaratory of your non-adherence to some of the provisions which are contained in the bill, even though they are provisions which are not covered by the title. I looked up Bourinot just before I came in to find what cases he cites in which amendments have been submitted. The citations are rather old but I found one which referred to an amendment moved in 1882. This was an amendment to a bill to readjust the representation in the House of Commons. I hope the Prime Minister will note that. According to him, if any hon. member was in favour of readjusting the representation in the House of Commons in any way he would have to vote in favour of the motion for second reading and allow the bill to go to committee. The amendment moved at that time showed that the house was in favour of readjustment but was not in favour of the readjustment proposed in the bill. The amendment appears at page 412 of the Journals of 1882. The motion was for the second reading of a bill to readjust the representation in the House of Commons and Mr. Mills moved, in amendment, seconded by Mr. Rymal:

> That all the words after "that" to the end of the question, be left out, and the words "in readjusting the representation of the people in parliament, there should be no needless interference with existing arrangements, and the principle of justice and fair play towards both political parties should be observed;"

There was an admission that the house was in favour of readjustment but was taking direct issue with what was regarded as one of the provisions of the bill, namely, the provision which did not give fair play to the parties in the house. The amendment went on to say:

> That the bill contains numerous needless changes, and is framed with a view to concentrate large bodies of the Liberal voters in a few electoral districts, and to add Conservative voters to, or remove Liberal voters from, many electoral districts, and thus weaken the effective strength of the Liberal party, and to pack the constituencies of Ontario in favour of the Conservatives.

That amendment shows that on the motion for second reading they were discussing the different provisions of the bill, not just the title. That amendment admitted that there should be a readjustment but it complained of the provisions of the bill. It is cited in

Bourinot as authority for rule 755. The house divided upon the amendment but under the circumstances which existed at that time, the amendment was lost. I am pointing out that that amendment is similar to the one we have before us. It went into the heart of the bill, it dealt with the provisions of the bill and made a declaration that certain of the provisions were not acceptable to those who supported the amendment.

Mr. HANSON (York-Sunbury): Was there any point of order raised in connection with it?

Mr. RALSTON: No, but I would point out that Bourinot cites this very case as one of the authorities in connection with rule 755. I do not think we could have much better support for our contention that an amendment having to do with the major provisions of a bill is perfetly in order.

Mr. BENNETT: The hon. gentleman will observe that in the amendment to which he has referred there is no substantive approval of the principle of the measure, it is only read into it by inference.

Mr. RALSTON: I do not think my right hon. friend will adhere to that point. Surely there was a pretty plain inference. This is a bill to readjust the representation. The amendment says that in readjusting the representation—

Mr. BENNETT: That is provided for by the British North America Act.

Mr. RALSTON: No, in readjusting the representation—

Mr. BENNETT: The readjustment is provided by that act.

Mr. RALSTON: Yes, but the bill was for the readjustment as provided for under the British North America Act. The bill was being introduced under the powers which that act gives permitting parliament to readjust the representation. The readjustment was being made under that act. My right hon. friend suggests that this amendment did not approve the principle of readjustment. I say that it could not have approved it in much plainer language when it says that in readjusting the representation, certain definite principles should be observed.

Hon. HUGH GUTHRIE (Minister of Justice): I do not want to delay the house or Your Honour in your decision of this question, but I have carefully listened to the argument and after giving it the best consideration I am able to bestow upon it, in my opinion, the amendment is out of order. I shall try briefly to give my reasons for the opinion I have just expressed. I do not see how anyone can argue that this is not purely and simply a marketing bill; that is the main principle of the measure: For the more orderly marketing of certain natural products of Canada. The hon. member for Shelburne-Yarmouth (Mr. Ralston) suggests that the bill goes much further than the question of marketing because it touches on the question of exports and imports. But surely exports and imports of natural products are so related to the general question of orderly marketing that they form part of it.

The next point mentioned by the hon. member was that penalties are imposed for breaches of the provisions of certain of the clauses in respect of marketing. Those penalties are consequential; they appear in all such bills, and in our revised statutes there will be found many acts incorporating the imposition of penalties. One is almost shocked when one considers the matter. I believe in the revised statutes there are no less than one hundred and twenty-five such acts where penalties are prescribed for breaches of regulations. But this fact does not detract from the general principle that this measure is a marketing bill, purely and simply.

The trouble I see with the amendment moved by my right hon. friend is that, as the Prime Minister has stated, it is an attempt to bestraddle the question, to favour both sides of the question, to blow both hot and cold, which is contrary to the rules of the house. The rules provide inferentially and, I think, very distinctly that a member shall express his opinion one way or the other on questions which arise, and, indeed, until recently, a member could be compelled to vote, if present in the house.

Mr. MACKENZIE (Vancouver): What about the freight rates bill?

Mr. GUTHRIE: I think the first objection to the amendment is fatal. The next objection, to my mind, is that the first three lines of the amendment constitute a declaration in favour of the principle of the bill; I do not think there is any question about that. In regard to the other portions of the amendment and all the denunciations heaped upon the various clauses of the bill by my right hon. friend's amendment, every point he mentioned is a proper one for the consideration of the committee of the whole house. When the bill is in committee my right hon. friend may move an amendment on every one of those points, and the house may adopt his amendments if it sees fit. Those are matters which do not pertain at all to the principle of the bill; they are merely details designed to carry out the prin-

ciple. When the house is in committee every statement contained in my right hon. friend's amendment may be dealt with by the committee; he may move motion after motion, taking the opinion of the committee and it may be that on many points his views may prevail. But the amendment must not anticipate the committee stage of the bill. In my humble judgment the amendment as drawn is certainly out of order and should be so ruled.

Mr. MACKENZIE KING: May I ask the Minister of Justice a question before he resumes his seat? If instead of the provision as to imports and exports reading:

> The governor in council may, by order or regulation published in the Canada Gazette, restrict the importation into Canada of any natural product—

It were to read:

> The governor in council may remove any duties with respect to any article of trade and commerce—

Mr. BENNETT: That is in the statute now; it is the Customs Act.

Mr. MACKENZIE KING: I am speaking now of the provisions of this bill as it is framed. If it were to read that the governor in council may have power to remove or to increase duties, would the minister say that the mere fact that the measure is entitled "An Act for the Improvement of Marketing," would make the provision quite regular, and the principle of the bill one of marketing rather than one of changing the tariff?

Mr. GUTHRIE: When you get into the realm of duties an entirely different principle applies. There is power in the Customs Act for the governor in council, I think, to wipe out duties altogether.

An hon. MEMBER: Not to increase them.

Mr. GUTHRIE: The question of increasing duties is different. That would be a matter of imposing taxation on the people by order in council and that is not permissible. When taxing bills are introduced in the house, they are introduced by way of resolution and not by way of a direct bill.

Hon. CHARLES MARCIL (Bonaventure): I would like to point out that it has been the custom from time immemorial to discuss the principle of a bill on the second reading to enable members to express their views and if so desired to change the form of a proposal which is made to the house. The same rule applies to all amendments. When a motion is made by a member and put to the house by the speaker, it is the right of any other member to move to amend it in accordance with certain rules. Members may not be willing to adopt the question as proposed to them and may consequently desire to modify it in various ways. When we are voting on the supply bill, we very often preface the amendment by saying that while the house is willing to vote supply to His Majesty to carry on the public business, we object to such and such an expenditure. Bourinot at page 509 states:

> The second reading of a bill is that stage when it is proper to enter into a discussion and propose a motion relative to the principle of the measure. The Senate has a rule on the subject:
>
> "64. The principle of a bill is usually debated at its second reading."
>
> The commons have no rule on the subject, but the practice of the house is always to discuss the principle of a bill at this stage. Any member may propose as an amendment a resolution declaratory of some principle adverse to, or differing from, the principles, policy or provisions of the bill.

We may favour a marketing board on certain conditions, a marketing board whose expenditures, whose cost to the country, would be controlled by parliament. That is not the proposal which is now being made. The present proposal is that the administration of the measure will be carried on by a board created by the governor in council and that the expenditures involved will be controlled solely by the governor in council and that parliament will have nothing whatever to say in the matter and no control over this expenditure. Surely a member may be in favour of a marketing board, but not of one of that character, a board to which the rights of this parliament are delegated. I am sure the Prime Minister (Mr. Bennett) and the Minister of Justice (Mr. Guthrie) who know the rules of parliament will confirm this rule of Bourinot that this is the only opportunity we have to express an opinion on the principles of the bill as presented to the house. For that reason I submit very humbly that the amendment is in order.

Hon. R. J. MANION (Minister of Railways): May I add one word to the argument? The argument of the opposition that this amendment is in order is based upon paragraph 755. That after all is not a rule of the house; the rule of the house is standing order No. 75. Paragraph 755 is after all merely a quotation from May. I happened to look up May a moment ago, and paragraph 755 which is quoted here complete from May starts at the bottom of page 357 and goes on to page 358. Let me read the next two clauses. The last word in 755 is "Judges." May continues:

The principle of relevancy in an amendment governs every such proposed resolution, which must, therefore, "strictly relate to the bill which the house, by its order, has resolved upon considering," and must not include in its scope other bills then standing for consideration by the house.

Then listen to the following:

Nor may such an amendment deal with the provisions of the bill upon which it is moved, nor anticipate amendments thereto which may be moved in committee, nor attach conditions to the second reading of the bill.

I submit that this amendment does deal with the provisions of the bill, because, as pointed out by the Minister of Justice, all the clauses in the amendment could be moved as amendments to the bill in committee.

Mr. MACKENZIE KING: What page is my hon. friend reading from?

Mr. MANION: The continuation on page 358 of May, twelfth edition of the same clause, 755.

Mr. MACKENZIE KING: My hon. friend has a different edition from that which we are using. The thirteenth is the edition used by the house generally.

Mr. MANION: The quotation in 755 comes from the exact page I have used, and it is continued on page 358.

Mr. CASGRAIN: It is out of date.

Mr. MANION: Then my right hon. friend's whole argument is out of date.

Mr. SPEAKER: It having been moved that Bill No. 51, an act to improve the methods and practices involved in the marketing of natural products in Canada and in export trade, and to make further provision in connection therewith, be now read the second time, the Right Hon. Mr. Mackenzie King moved in amendment that all the words after the first word "that" be struck out and the following substituted therefor:

This house, while prepared to support legislation for assisting the orderly marketing of natural products, is unalterably opposed to the enactment of any compulsory measure which delegates to unnamed and undetermined individuals, groups or organizations, sweeping powers over the production and trade and commerce of the nation, and which confers upon a minister of the crown and upon the governor in council unprecedented authority and unusual powers to restrict production, and interprovincial, inter-Imperial and foreign trade as regards both exports and imports, as well as other autocratic powers.

The Hon. Mr. Stevens raised the point of order as to whether the said amendment is in order inasmuch as it constitutes what might be termed a declaration of policy instead of offering reasons why consideration of the bill should not be proceeded with or should be postponed, or proposing something else germane to the actual motion before the house.

The Right Hon. Mr. Mackenzie King in moving the amendment quoted paragraph 755 of Beauchesne's Parliamentary Rules and Forms—which paragraph is published as a quotation from May, thirteenth edition, page 390, and is repeated by Bourinot at page 509—as follows:

It is also competent to a member who desires to place on record any special reasons for not agreeing to the second reading of a bill, to move as an amendment to the question, a resolution declaratory of some principle adverse to, or differing from, the principles, policy or provisions of the bill, . . .

This rule is subject to certain limitations. If the right hon. member had continued to quote from May, he would have found the following reference to an amendment to a motion for second reading of a bill:

Nor may such an amendment deal with the provisions of the bill upon which it is moved, nor anticipate amendments thereto which may be moved in committee.

(May, thirteenth edition, page 391.)

The precedent cited in May in support of this is found in 188 Parliamentry Debates, fourth series, column 76, The Education (Scotland) Bill:

Mr. Speaker: I have to rule that the amendment standing in the name of the hon. member for Glasgow and Aberdeen universities—to the effect that the house while welcoming educational legislation for Scotland regrets that the present measure does not propose change in the educational areas which is urgently required in the interests of efficient administration—is not technically in order, because it does not challenge the principle of the bill. The question raised can be decided by an amendment to the bill itself. If the hon. member wants to object to the second reading, he should move that the bill be read this day six months.

The amendment moved by the right hon. leader of the opposition does not challenge the principle of Bill No. 51, and it anticipates the committee stage. It declares that the "house is prepared to support legislation for assisting the orderly marketing of natural products," and the bill is intituled "an act to improve the methods and practices of marketing of natural products." There is so much similarity between those two propositions that one cannot be moved as a resaon to reject the second reading of a bill enunciating the other.

The amendment further declares that the house is unalterably opposed to the granting of certain powers and the application of certain methods in the giving of government assistance to the marketing of natural pro-

ducts, but does not connect the granting of those powers or the application of those methods with the bill. It does not declare any principle adverse to or differing from the principle, policy or provisions of the bill. The bill deals with powers and methods which may be altered in committee.

The objection to the enactment of any compulsory measure which delegates to unnamed and undetermined individuals, groups or organizations, sweeping powers over the production and trade and commerce of the nation can be dealt with by amendments when the committee of the whole is considering section 3 of the bill which establishes the dominion marketing board, and section 4 which defines the powers of the board. The action to be taken by the governor in council and the minister in administering the act is described in almost every section of the bill and may be strengthened or weakened by amendment when the bill is in committee.

The case cited by the hon. member for Shelburne-Yarmouth differs from this case. There a definite declaration as to what the mover was in favour of was laid down; in this case the amendment declares as to what enactments the mover is opposed to, without connecting them with the bill or the principle of the bill.

The objections raised in the proposed amendment cannot be looked upon as reasons why Bill No. 51 should not now be proceeded with and, moreover, they may be considered after the bill has been read a second time. For these reasons I find the proposed amendment to be out of order.

Mr. MACKENZIE KING: I regret that I am obliged to appeal from Your Honour's ruling.

The house divided on the question: Shall the ruling of the chair be sustained? And the ruling was sustained on the following division:

YEAS

Messrs:

Anderson (Toronto-High Park)
Arsenault
Arthurs
Barber
Barrette
Beaubier
Belec
Bennett
Bowen
Bowman
Burns
Bury
Cantley
Carmichael
Chaplin
Charters
Cotnam
Cowan (Long Lake)
Davies
Dickie
Dorion
Duguay
Duranleau
Embury
Ernst
Fraser (Cariboo)
Garland (Carleton)
Geary
Gobeil
Gott
Hackett
Hanson (York-Sunbury)
Hay
Heaps
Irvine
Johnstone
Jones
Kennedy (Peace River)
Laflèche
Lawson
Lennox
Loucks
Lucas
Luchkovich
Macdonald (Kings)
MacInnis
MacLaren
MacMillan (Saskatoon)
MacNicol
Macphail, Miss
McDade
McGillis
McLure
Manion
Matthews
Mitchell
Moore (Chateauguay-Huntingdon)
Morand
Mullins
Murphy
Myers
Perley, Sir George
Pickel
Plunkett
Porteous
Price
Quinn
Rhodes
Robinson
Rogers
Ross
Rowe
Ryerson
Sauvé
Shaver
Simpson (Simcoe North)
Simpson (Algoma West)
Smith (Victoria-Carleton)
Smith (Cumberland)
Smoke
Speakman
Spencer
Sproule
Stanley
Stewart (Leeds)
Stewart (Lethbridge)
Stirling
Stitt (Nelson)
Stitt (Selkirk)
Sutherland
Swanston
Tétreault
Thompson (Simcoe East)
Thompson (Lanark)
Tummon
Turnbull
Weese
Weir (Melfort)
White (London)
White (Mount Royal)
Willis
Woodsworth
Wright—103.

NAYS

Messrs:

Blair
Bothwell
Brown
Butcher
Cardin
Casgrain
Chevrier
Coote
Denis
Deslauriers
Desrochers
Donnelly
Duff
Dumaine
Dupuis
Fiset, Sir Eugène
Gershaw
Girouard
Golding
Goulet
Gray
Hanson (Skeena)
Howden
Hurtubise
Jean
King, Mackenzie
Lacroix
Mackenzie (Vancouver Centre)
MacLean
McIntosh
McKenzie (Assiniboia)
McPhee
Marcil
Mercier (Laurier-Outremont)
Moore (Ontario)
Motherwell
Neill
Parent
Perras
Pouliot
Ralston
Rhéaume
Roberge
Rutherford
St-Père
Séguin
Stewart (Edmonton West)
Taylor
Totzke
Veniot
Verville
Weir (Macdonald)—52.

PAIRS

(The list of pairs is furnished by the chief whips.)

Messrs:

Anderson (Halton)	Factor
Baker	Bertrand
Baribeau	Beaubien
Bell (Hamilton)	Mercier (St. Henri)
Bell (St. Antoine)	Raymond
Bell (St. John)	Dubois
Beynon	Euler
Black (Halifax)	Dubuc
Bourgeois	Boucher
Boyes	Hepburn
Cahan	Rinfret
Casselman	Howard
Cowan (Port Arthur)	Ilsley
Dupré	Ferland
Edwards	Elliott
Esling	Hanbury
Fortin	Fafard
Gagnon	Boulanger
Ganong	Michaud
Gordon	Fournier
Guthrie	Lapointe
Harris	Jacobs
Larue	Thauvette
Laurin	Fontaine
MacDonald (Cape Breton South)	Urquhart
McGibbon	Power
Maloney	Young
Nicholson	Bradette
Perley (Qu'Appelle)	Munn
Pettit	Bouchard
Senn	Sanderson
Short	Heenan
Spankie	Ahearn
Spence	Fraser (Northumberland)
Spotton	MacMillan (Mackenzie)
Stevens	Malcolm
Stinson	Hall
Sullivan	Brasset
Wilson	Vallance.

Mr. DUPRE: I was paired with the hon. member for Joliette (Mr. Ferland). Had I voted, I would have voted to sustain the Speaker's ruling.

Mr. GAGNON: I was paired with the hon. member for Bellechasse (Mr. Boulanger). Had I voted, I would have voted to sustain the Speaker's ruling.

Mr. BAKER: I was paired with the hon. member for Prescott (Mr. Bertrand). Had I voted, I would have voted to sustain the Speaker's ruling.

Mr. SPENCE: I was paired with the hon. member for Northumberland, Ont. (Mr. Fraser). Had I voted, I would have voted to sustain the Speaker's ruling.

Mr. McGIBBON: I was paired with the hon. member for Quebec South (Mr. Power). Had I voted, I would have voted to sustain the Speaker's ruling.

Mr. BELL (St. Antoine): I was paired with the hon. member for Beauharnois (Mr. Raymond). Had I voted, I would have voted to sustain the Speaker's ruling.

Mr. ANDERSON (Halton): I was paired with the hon. member for Toronto West Centre (Mr. Factor). Had I voted, I would have voted to sustain the Speaker's ruling.

Mr. PERLEY (Qu'Appelle): I was paired with the hon. member for Vancouver North (Mr. Munn). Had I voted, I would have voted to sustain the Speaker's ruling.

Mr. MacDONALD (Cape Breton South): I was paired with the hon. member for Colchester (Mr. Urquhart). Had I voted, I would have voted to sustain the Speaker's ruling.

Mr. MALONEY: I was paired with the hon. member for Weyburn (Mr. Young). Had I voted, I would have voted to sustain the Speaker's ruling.

Mr. BOYES: I was paired with the hon. member for West Elgin (Mr. Hepburn). Had I voted, I would have voted to sustain the Speaker's ruling.

Mr. AHEARN: I was paired with the hon. member for Frontenac-Addington (Mr. Spankie). Had I voted, I would have voted against the Speaker's ruling being sustained.

Mr. ELLIOTT: I was paired with the hon. member for South Waterloo (Mr. Edwards). Had I voted, I would have voted against the Speaker's ruling being sustained.

Mr. SANDERSON: I was paired with the hon. member for Haldimand (Mr. Senn). Had I voted, I would have voted against the Speaker's ruling being sustained.

Mr. BEAUBIEN: I was paired with the hon. member for Champlain (Mr. Baribeau). Had I voted, I would have voted against the Speaker's ruling being sustained.

Mr. BOUCHARD: I was paired with the hon. member for Welland (Mr. Pettit). Had I voted, I would have voted against the Speaker's ruling being sustained.

Mr. LAURIN (Translation): I was paired with the hon. member for St. Hyacinthe-Rouville (Mr. Fontaine). Had I voted I would have voted to sustain the Speaker's ruling.

Mr. FAFARD (Translation): I was paired with the hon. member for Levis (Mr. Fortin) Had I voted I would have voted against the Speaker's ruling being sustained.

Mr. DUBOIS (Translation): I was paired with the hon. member for St. John-Albert (Mr. Bell). Had I voted I would have voted against the Speaker's ruling being sustained.

Mr. THAUVETTE (Translation): I was paired with the hon. member for Matane (Mr. Larue). Had I voted I would have voted against the Speaker's ruling being sustained.

Mr. BRADETTE (Translation): I was paired with the hon. member for Algoma East (Mr. Nicholson). Had I voted I would have voted against the Speaker's ruling being sustained.

Hon. W. R. MOTHERWELL (Melville): Mr. Speaker, this marketing bill which I hold in my hand is one of the greatest compounds of good, bad and indifferent that it has fallen to my lot to analyze and decide upon. So much is that the case that at times and in places the bad features of this bill seem almost to supersede the good. Notwithstanding that, however, and having regard to the fact that I hope we will have two opportunities before two committees to expunge the bad features and preserve the good ones I have decided to support the second reading of the bill. That is my best judgment. At this stage, and before giving my reasons for so doing, I should like to read an extract from Hansard of May 13, 1932, in which I gave expression to these words:

> I think we have reached a time in our history when agriculture is simply staggering to its fall, and we can afford to ease up a little in our extreme political alignments and work on behalf of agriculture even if we have to work through a Tory government, which is the only avenue available at this time. That is pretty straight talk, but that is the way I feel. I am in opposition now; there are not enough of us here to perform the functions of government. The electors, in their wisdom, elected another government and we have a new minister of agriculture. I have not very long to assist agriculture now, perhaps ten or fifteen years more, and I am prepared to work through this government until the electors provide us with a better avenue. Things are so bad in connection with agriculture that I believe I would work through Beelzebub himself if necessary, and therefore much more through the minister. Conditions are so distressing on many farms that we cannot afford to quibble as to where the good things may come from at this time.

That is exactly the way I still feel, and I am thinking not of the government or even of parliament but of the farmers and producers throughout Canada who asked for this legislation.

Mr. CASGRAIN: For this legislation?

Mr. MOTHERWELL: What they think this legislation is. Having made the merits and demerits of the bill the basis of my decision I think it is up to me to mention some of the good features of the bill, and I think it has good features. In passing I might say, Mr. Speaker, that I think the bill contains more than one principle, and that is the difficulty we have been up against. There are many principles involved, but to me the outstanding point is that a long deferred marketing act has been presented to us, and I have to decide what I am going to do with it. My decision is to support the second reading of the bill and, before the agriculture committee, where I hope it will go, to expurgate the bad features and "hold fast to that which is good." I believe it is quite safe ground when I take that attitude. We have then a marketing bill—and may I say that we are the last part of this British Empire to have such legislation. All the dominions, with the exception of Canada, have a marketing act. I do not say that that in itself is sufficient argument in favour of accepting any bill; as a matter of fact I believe in the principle of standing alone for the right, if you have to. But it is worth while to think about that feature, namely that we are the last part of the British Empire to pass such legislation. As a matter of fact we will soon be the tail end of creation with respect to marketing legislation, because more than thirty other countries have it. That is also worth thinking about.

We have before us a marketing bill, and I believe in part of it as at present drafted, but the bill which I hope will go forward from this house after we have concluded our deliberations I hope to be able to support almost in toto. I believe, further, in a marketing board. As a matter of fact, Mr. Speaker, the government to which I belonged is responsible for a wheat marketing board act. In connection with the wheat board we were successful in our methods of reconciling the jurisdiction of the dominion with that of the provinces. The legislation in this connection was passed in the year 1922, and to it some rather unfair references were made by the hon. member for Regina (Mr. Turnbull). However, we shall not go into that matter now. The method of passing enabling legislation and concurring legislation is laid down in this bill, and was laid down twelve years ago by the government to which I had the honour of belonging. At that time the same principle of enabling legislation was involved. Of course, we did not deal with the same objectionable details, but we did have to deal with the same constitutional difficulties as are herein dealt with in this marketing act. The province of British Columbia established a satisfactory system of marketing boards, but in that province they always ran up against the final difficulty of

standing the test in the courts, and without this legislation they were unable to carry out their marketing programs.

I have given three reasons why I like this measure. Then we come to a feature of the bill to which a great many people have taken strong objection. Owing to the paucity of information given by the Minister of Agriculture (Mr. Weir) in his speech one cannot wonder at such objections. I am sorry to have to make that statement. Of course, the minister was labouring under this tremendous difficulty, namely, that when he proposed the second reading of the bill the recesses and rafters of this building were reverberating with the Liberal cheers of victory from South Oxford. At that moment my good friend the minister was put into the front line trenches to explain this bill. Under those circumstances I think the enthusiasm would have been taken out of anyone, I do not care how young or old a political warrior he might be. However, I have no brief for my hon. friend, nor do I intend to make excuses for him. The fact remains however that in view of the meagreness of the information he gave the house I am not surprised that the opposition of many hon. gentlemen was invited. I did not know then what many of the features of this bill meant and I do not know yet.

Then, we find the provision prohibiting the export of certain unnamed commodities. Is it any wonder, without any knowledge of what is meant, there has been strong opposition to this also. That is a provision we should have had long ago, a provision at least some portion of which we have already exercised. It would prohibit low grade commodities, such as low grade live stock, low grade wheat or, in fact, low grade anything being shipped to the export markets of the world. The Antipodes have had that legislation for I don't know how many years. Denmark has it. They export the good and leave the bad at home, or do something else with it. When one understands this provision he realizes that instead of it being an objection to the bill it is a virtue.

At the present time we have a congested European and British wheat market. Would it not be the part of wisdom at this time when there is justification for it, to tell those who have low grade wheat, say No. 6, that it is not fair to send such wheat to a market already congested and thereby pull down the value of the higher grades. That is not a wise procedure. This is the time to say, I repeat, that the low grades should not be placed on already congested markets, thereby in some measure lessening the opportunities afforded for sale of the higher grades. Especially is that true when there is an opening for the same low grade wheat in the Orient, if there is another opening for wheat anywhere at the present time. As every hon. member knows, the only way to compete in the orient is by offering low grade wheat at prices in competition with rice. I do not know whether the government understands this situation as do some other hon. members, but certainly they have not explained it. For that reason I am not surprised that this particular feature of the bill has met with strong opposition. However, having had conversations with some of the staff in the Department of Agriculture, and being in a position to guess the rest of it, I have assumed—and I believe I am right in my assumption—that this provision is for the purpose of meeting such situations as we now have whereby low grade commodities are authorized to be kept off congested markets. That is good practice. I may state frankly, Mr. Speaker, that the late government did, without any of this legislation, refuse the shipment abroad of poor live stock. We had no legislation to support us, but we just took chances, when exporting cattle to Great Britain shortly after the major portions of the embargo were removed in 1923. We did take the responsibility at Montreal and at other ports for saying that certain low grade cattle could not take ship. No one objected. We just took it for granted that we had that authority. Possibly that may not have been the right procedure for us to adopt, but may I say it did keep low grade animals off the British market, and that is what this legislation proposes to do legally.

Mr. BENNETT: Was the action to which the hon. member refers taken by order in council?

Mr. MOTHERWELL: I do not think we did it by order in council.

Mr. BENNETT: Just did it?

Mr. MOTHERWELL: We did not even have an order in council.

Mr. BENNETT: That is what I thought.

Mr. MOTHERWELL: I do not think we had. We were simply assuming that it was the sensible thing to do and, acting sanely in the matter, we prevented such low grade stock from going anyway.

I now turn to the section which has to do with the storing and preserving of farm commodities. I am bound to take the stand that I would have gone even farther in this connection. I should like to have seen the processing of commodities included, a procedure which would have my support. If processing were included the board would have the

right to establish somewhere in Canada a demonstration packing plant, without which we will never get to the farmer the information he must have in order to secure his confidence in our packing plants. This principle was demonstrated in connection with terminal elevators. Do you ever hear any cry about the terminal elevator now? No, because the government established one. May I say it was not our government, but the government of my hon. friends opposite. Although I do not think it is always a paying concern, I do believe it established the fact that there were not in connection with the terminal elevators the abuses that many had believed. Since that action was taken there has been no difficulty. Therefore I say that if processing were added, the proper authority would have the right to establish an experimental abattoir which would show the farmers just what profits were being made and could be made or not be made in the matter of processing live stock. I believe one such abattoir would be sufficient, and that it should be placed in the stock yards auction market and not away from the yards. It should be favourably situated in a position convenient to the animals. I have outlined six good features in this legislation. It would be sufficient to take those six favorable features as a nucleus for the bill and while adding others thereto try to eliminate the really bad ones—and I tell you they are here in abundance as the bill now stands.

Then, some people shy at the bill because it is said to represent state socialism. Well, as I understand the dictum and policies of our friends to the left, the C.C.F., it is that which they have preached in this house on many occasions, namely, the doctrine of "production for use and not for profit." Why, Mr. Speaker, the avowed purpose of this bill is to make more profits, and if my friends of the C.C.F. believe in "production for use and not for profit," they should oppose this bill because avowedly it is out for more profits for the producers, and it is because of that, that I am supporting it. So this bill does not present any feature of state socialism in that respect.

State socialism also implies and declares for a change in ownership. Is there any change of ownership even remotely implied in this bill? Not at all. This bill however is a piece of social legislation gone to excess in the matter of control, gone to folly, and that is what is causing so much opposition. My hon. friends opposite are not familiar with this class of legislation, and they seem to think that the farther they go the better. Did you ever hear the saying, that too far east is west?

[Mr. Motherwell.]

Did you ever hear about Paddy's chimney being so plumb that it was over plumb, or did you ever hear of a man walking so straight that he leaned over backwards? Now the government in their anxiety to have a wonderful bill, different from any other bill they ever knew of, made this bill reach out to all creation and include not only farm products but nearly all the natural resources of the nation. Anybody who knew anything about reforms would not act in that way, because it can only invite opposition and disaster.

I do not want to refer unnecessarily to the former government's policy of standardizing various farm products, but what would have happened if we in one bill had attempted to standardize all at once all the farm products that we finally succeeded in standardizing at the end of nine years of effort? If we had put the whole of that in one bill, we would not have got to first base with it, but by bringing about measures of grading gradually, and familiarizing the house and the country with the policy of standardization, we finally consummated that policy at the expiry of our term of office.

I have given some of the reason why this bill is not state socialism. I shall be interested to hear my C.C.F. friends, who are supporting this bill on the ground that it is state socialism, reconcile such support with their doctrine of "production for use, and not for profit."

I have many reservations regarding many of the features of this bill, and I must say that unless some of these features are eliminated or substantially altered during the committee stage I shall be obliged to vote against the bill in committee and on the third reading, but if these objectionable features are eliminated or substantially removed, if the bill is expurgated, and cleansed of these bad features, I shall continue to support it through to the end.

The bill is too comprehensive to start with. Why experiment on such a ghastly big scale? Is it wise to include all these commodities to which the bill refers? Every new commodity outside agriculture that you are going to control by this bill only creates further opposition to the measure. Why not start out with a limited number of commodities where control is likely to be supported strongly by the community in which it is started In many of the communities control is already under way in regard to some commodities, and the only difficulty is that they run up against the decisions of the privy council.

Mr. CASGRAIN: They will do that again.

Mr. MOTHERWELL: Not under the enabling legislation. We had some experience in the Department of Agriculture with regard to live stock and live stock products in that respect. One of the first duties I performed on coming to Ottawa was to write to every one of the provinces sending them a copy of our proposed legislation with respect to live stock and live stock products, and asking them if they could see their way to passing enabling or concurrent legislation as the case might be, and after four or five years every one of the provinces did. So we had that principle recognized in the department in connection with the grading of hogs, the grading of eggs, and the control of stock yards. Any legal difficulties in the way were removed by enabling legislation.

I think it is also a big mistake not to mention in the bill who is going to administer the law. We have the Minister of Agriculture sponsoring the bill, and this is supposed to be a marketing act for agricultural products mainly, but as a matter of fact the door has been thrown so wide open that it deals with the products of our fisheries, of the forest and what not, and three or four ministers might well claim the right to administer the act. It is true that the preponderating feature of the bill is agricultural, but nevertheless there are many other commodities dealt with, and knowing the ambition and the flair which the Minister of Trade and Commerce seems to have for agriculture, and not knowing in the bill who is going to administer this act, on that ground alone I would oppose it if I thought that any other minister than the Minister of Agriculture would be in charge of it.

Then we have the wide open interpretation of "natural products." Just imagine all that that includes! My right hon. leader and other members on this side have not misinterpreted the bill in its definition of "natural products." It includes almost every natural product and products processed therefrom under the sun. Did hon. gentlemen see Mr. Taschereau's interpretation in this morning's paper? There are all kinds of possibilities of difficulty and danger associated with grabbing the whole practically of our natural resources and putting them all into this one bill that is supposed to be primarily for agriculture. It really looks as if a lot of kindergarten legislators were in charge of this measure and are endeavouring to bring within one act what nobody ever saw the like of previously—practically the whole natural production of this country.

Nevertheless, I believe still that we can make a good act of it. Let the Minister of Agriculture take this bill to the agriculture committee as he has done with similar bills. Bills of this nature have always been sent to the agriculture committee, unless it was simply a matter of making some trifling correction or something like that. As a matter of fact, last week the Minister of Trade and Commerce referred to the standing committee on agriculture a bill that was not one-hundredth so important as this. I certainly disagree with this amendment to the grain act as it stands, but as it was going to be sent to the agriculture committee I agreed to it with such reservations as I am now making to this marketing bill.

I wonder if I might get the Prime Minister's attention for one minute.

Mr. BENNETT: I am following the hon. gentleman very carefully.

Mr. MOTHERWELL: I have not the faculty myself of talking and listening at the same time.

Mr. BENNETT: I could tell the hon. gentleman the last thing he said.

Mr. MOTHERWELL: Anyway, I should like to have the Prime Minister's and the minister's special attention for a moment I plead with them to reconsider their decision and have this bill referred to the agriculture committee. We would not bring the whole earth to that committee as witnesses. All the witnesses I have in mind are in Ottawa right now. There is one here from the Pacific, and others, and the staff is here. Why not take this regular and proper course? I urge that, Mr. Speaker, with all the earnestness and sincerity of which I am capable. Also, why not name a limited number of commodities to which you know there will be no or little opposition and put them in the natural products interpretation clause, and that will help carry the bill both here and in the country.

Mr. SPENCE: Would you have done that yourself?

Mr. MOTHERWELL: Sure. That is the way we always proceeded in similar matters.

Mr. SPENCE: I remember you all right. I will tell a story later on.

Mr. MOTHERWELL: My hon. friend does not know what he is talking about. It was always the policy of the former government to refer agricultural bills to the agriculture committee and to bring about reforms gradually. Practical reformers invariably start with something that you can handle, to avoid running into difficulties and disaster

by having too ambitious a plan and spoiling the whole lot—in other words, creep before attempting to walk. That is my suggestion to the government. It will not cost anything, and they do not need to follow it.

Under the provisions of this bill wheat is included, and that is sufficient to make me oppose the bill. The situation in the west has been fierce since some tried to bring about a hundred per cent pool. If that is being considered as desirable the government will be simply putting the fat into the fire. The controversy is dying out, so why stir it up at this stage? This commodity should not be included in the bill at present, in my estimation. I am willing to take my chance when I make the statement I do in connection with this highly controversial problem, which should not be stirred afresh now. My proposal would be to start out with say milk and its products, fruit and its products, bacon, cattle, honey, maple sugar, perhaps a dozen or so all told, in connection with some of which marketing schemes are already under way. All that would be necessary would be to provide the necessary legislative machinery and put it in motion, and the government would be on safe constitutional and democratic ground. There would thus be the minimum chances of opposition and subsequent failure. Ten or twelve commodities could be mentioned and then the words "and such other commodities as may be added thereto from time to time by parliament."

Mr. BENNETT: Perhaps the hon. gentleman is aware that it is a matter of legal construction that it is far more desirable to use a general term than to endeavour to specify. All the branches of an industry would be included in the declaration of the industry, so therefore there is no purpose in that argument.

Mr. MOTHERWELL: We have the same provision now in connection with the weed acts of the west. Those acts state that noxious weeds are so and so and so and so, naming the kinds, and such other weeds as may be added thereto from time to time. Lawyers always place great value on precedent, and I am giving one to the Prime Minister. Even if there were no precedent, I think my suggestion is quite sensible. It would be safety first anyway.

There is another section of the bill which is open to justifiable criticism. It reads:

> The board shall consist of such number of persons as the governor in council may from time to time determine, and each member shall hold office during pleasure—

[Mr. Motherwell.]

There is a general rumour that this board will consist largely of departmental officials. As far as I am concerned, I am willing to accept these officials without any reservation but everyone does not know them as I do. The government will be open to the charge of establishing a centralized bureaucracy. "Let not your good be evil spoken of," is good advice. No one is so perfect and above suspicion that he can afford to place himself under suspicion. Why not state that the members of this board shall be say the deputy minister of agriculture, the director of farm economics, the dairy commissioner or such other officials as the government may choose? The same principle is employed in appointing many members of the grain standards board. There should also be on this board a practical farmer who also knows the technique of agriculture. There should also be one more member. What about the consumer? Great Britain has taken every precaution on behalf of the consumer. The government is turning loose a lot of boards and giving them unprecedented powers and is making no provision to protect the consumer. I realize the consumer quite often is a doubting man who frequently disbelieves that anyone is thinking of him very much. He does not seem to care a great deal, even at election time. Some of them were quite willing in 1930 to pay more for their butter and then paid less. However that may be, I suggest that on this board there should be a representative business man, one who knows the needs of the consumer. The government should not assume that the producers will be always so comprehensive in their outlook that they will think of the consumer's viewpoint at all times. I believe that this board would be greatly improved if all interests were represented thereon, but the government has the power and it can do just as it pleases. This would be a step to disarming the criticism that this is bureaucracy; it would be a board upon which everyone was represented, including the consumer. I am sure that such a board would appeal to the hon. member for Weyburn (Mr. Young). I believe it would appeal to all sensible people and if it were submitted at any public meeting it would receive approval, I think.

Subsection 7 of section 4 has been discussed, and apparently this has to do with quotas. When we make provisions for quotas against commodities coming in from Great Britain, they will say, we are accommodatingly inviting the establishing of quotas by that country against Canada. By means of a gentlemen's agreement with this government, Great Britain has put into force a quota against our cattle and there is talk of quotas

against our oats, dairy products and other commodities. This would simply be an invitation to Major Elliot, the British Minister of Agriculture, to put on further quotas against Canada. Provision is being made also for reprisal quotas on our goods by foreign countries. This looks bad to me and I should like to know more about it in committee. I may be wrong in this, but that is my understanding of the clause. The Minister of Trade and Commerce (Mr. Stevens) just whispered the word "quota" in his speech. I do not believe there were half a dozen members who heard what he said. Quotas are not mentioned in the bill but yet they are snuggled and smuggled in in a confusion of words and terms. The government has launched this bill without proper explanation and is amazed when it receives opposition. I am amazed that I do not oppose it myself, but my love of some of the things that are in the bill is greater than my dislike for some of the objectionable things. I hope the government will reconsider its decision and send this bill to the agriculture committee where the winnowing takes place.

Nothing is said in the bill as to the percentage of vote which shall determine the action to be taken by the minister. The government is pretending to follow the British act but this bill does not hint as to what size of vote will be necessary to launch a marketing project. What is it to be? Is it to be a straight majority? Any one of us is glad to get here on a straight majority of two or three, and I have even known hon. members who have been permitted to sit in this house by the vote cast by the returning officer. But these marketing matters are looked upon differently; there should be somewhere between a 66 to 75 per cent favourable vote before these marketing proposals go into force. There is no hint of what it is going to be so long as the minister is satisfied. Let me appeal to him. He should not put himself into that position. Let him consider the immense responsibility he is assuming of being the only determining factor with nothing to guide him but his own judgment and that of his staff in regard to so important a matter. Even assuming they will be absolutely right, how will the great body of the people be convinced that that is the right way to carry out that plan? That is not the proper way to deal with the matter. The British act places the majority at 66 per cent. May I say there again the Department of Agriculture has been determining policies on a two-thirds vote in connection with slaughtering animals for tuberculosis. Before a restricted area can be established, you have to get the consent of 66 per cent of the stock owners of that district. On that 66 per cent basis the government staff in the health of animals branch, after providing for all the preliminaries in connection with the matter, go out with inspectors, organize a veterinary crew in the affected area, test out the reactors, kill them and salvage them at the nearest abattoir. Will the other third agree to that? They do agree with very few exceptions. It is common sense that they should. The interest of the whole is greater than that of a part,—a third. That is being proposed by me in connection with some features of this bill with even more favourable modifications.

Another proposal I would make—and I feel my leader is absolutely right in regard to it—is that until the board builds up public confidence in itself these marketing proposals should in the interests of everybody be submitted to parliament After parliament sees that the board are using their powers wisely and well in the interests of those whom we are all desirous of serving, that is the producers, then the necessity of coming to parliament could be discontinued after, say two or three years. Parliament is giving the Minister of Agriculture greater powers in his recent bills than it did to the last Minister of Agriculture, and to the last minister parliament gave infinitely greater powers than it did to his predecessor. How do we account for that? It is because the various ministers administered their standardization legislation in conjunction with the various producers' organizations concerned and gave constantly growing satisfaction. I know some producers will raise the objection: Oh, we shall have to lose another year if we have to come to parliament for its approval of a marketing project. We can avoid losing another year in connection with this scheme in this way for this year. Let us get this bill through the committee on agriculture as quickly as possible; let us get it through the commitee of the whole also as quickly as possible, then through the senate and royal assent. If I know anything about the matter, we are likely to be here until the middle of July. Before that date one or more marketing schemes can, I feel, be got ready for submission to parliament for approval, as they are now already under way. I know how impatient farmers are in regard to getting any reforms that they may already have been waiting years for. It is far better to make sure of one's ground and then go ahead rather than to be precipitate in one's action and find it necessary to retrace one's steps. That is a proposal, I think, worth while considering and after a year or two or even three years parliament would have no hesitation in saying:

All right; so long as you are conducting this business the way you are doing, we will let you go ahead with your new marketing proposals, always reserving the right to withdraw that power from you if you abuse it.

The clause with regard to the right to restrict imports was brought up by a number of speakers on this side. That may mean quotas; it may be aggravating regulations or it may be tariffs; I do not care what it is, we have no right as a parliament to delegate power to local boards to control imports. I believe in delegating powers where that is warranted, to producers as is now done to the legal profession, to what we call the learned profession, to which is delegated powers and remarkable administrative powers too. We have the same authority and right to delegate powers to farmer groups or marketing bodies. But there is a point to which I do not think we should go and that is to delegate the control of imports. That control is something that should surely belong to parliament. Let us not fall over ourselves trying to be good to the farmers as it is not really being good to them when we go this extreme length. The farmers who asked for this legislation do not approve of a great deal of the stuff in this bill; they are not particularly concerned so long as they have in it what they want; the bad things do not interest them much. They are all wondering why we are objecting to the bad things. It is our duty to protest against the bad features, to protect the people who are asking for this legislation from the consequences of the government's proposed actions, and to eliminate the bad features so that we can go out to the country and defend all the features of the bill. I would like this bill to go out to the country as the product, not of the Conservatives alone but of the whole parliament of Canada, and then it would be launched without any bias or bigotry. I have had experience in these matters; I have met not with this kind of opposition but with direct opposition from almost every manjack on the other side in connection with our standardization proposals; in regard to hog and egg grading particularly, with the result that nearly every Tory in the country was opposed to the legislation and greatly hampered the acceptance of it throughout the country. This parliament, from all sides, should get reasonably behind the measure. Let us work out the best bill we can, get it started along the line of least resistance, get our noses through the door jamb first, then our heads and shoulders, then our whole bodies, and we shall find the confidence of the country will go out towards this proposal and all hands will be for it. Some may say that is an ideal not attainable, although I believe it is. May I point out that this is not a vision; It is not a case of either young men seeing visions or old men dreaming dreams. In this parliament in connection with the grain act in 1929 and 1930, we worked out in the committee on agriculture and the subcommittee a solution that has stood the test of time ever since, and to which we gave one hundred per cent approval.

The ACTING SPEAKER (Mr. Lawson): I regret to inform the hon. member that his time has expired.

Mr. MOTHERWELL: I regret that very much myself. I think I shall embrace an opportunity of continuing this story, maybe on the budget.

Mr. W. J. LOUCKS (Rosetown): Mr. Speaker, permit me, before commencing to discuss the bill, to extend my congratulations to the department and more particularly to the Minister of Agriculture (Mr. Weir) on the vision they had in bringing down such a bill as that now before us. At the outset I may say that it was my privilege for six years to be a delegate on the wheat pool and from that experience I gained some knowledge of cooperative marketing. When the wheat pool started it was recognized that we must have a certain sign-up before it could be operated. Our objective was at least fifty per cent. We succeeded finally in getting nearly an eighty per cent sign-up on the second contract, as the ex-Minister of Agriculture (Mr. Motherwell) will remember. What was the reason for the wheat growers in Saskatchewan getting together to the extent of say eighty per cent? It was that they realized the need for orderly marketing. We were all convinced of that. The other night the hon. member for Lisgar (Mr. Brown) mentioned some of the farm organizations we have had: he mentioned the Grain Growers Grain Company, now the United Grain Growers. I admit that that company did considerable good to farmers in western Canada. I myself am a shareholder in it. He mentioned also the Saskatchewan Co-operative Elevator Company that did much good. But I think it is beyond question that we did not go far enough. We found, after all we had done, that there was still a lack, and that lack was orderly marketing. It is not necessary to explain it to western men, but for the sake of eastern members I may tell the story, which was this: In the fall wheat began to flow to Winnipeg in such volume that the price was depressed; in other words we were our own competitors. I think we are all ready to

admit that the purpose of this bill is orderly marketing. Prior to coming here in January I believe all the federal members from Saskatchewan, both Liberal and Conservative, were invited to Regina to discuss the marketing bill. I believe the hon. member for South Battleford (Mr. Vallance) was there. From our side Mr. Turnbull and myself met the solicitor and the president of the Saskatchewan wheat pool, and they intimated to us what they wanted. I feel that this bill pretty well covers what was suggested by them. Their desire was for the orderly marketing of the primary products of our province. I do not know whether the hon. member for South Battleford committed himself to what they suggested. Recently I met the solicitor of the wheat pool again, and his only condemnation of the bill is that it does not go far enough; yet the opposition say it is too radical, too far-reaching. I want to compliment the ex-Minister of Agriculture as a Saskatchewan member on the attitude he has taken; I think it has been very fair. He has at least straddled the fence; I do not know whether he is going to get over, because he says that when the bill gets into committee there are certain clauses to which he is going to object. At any rate I think he has endorsed the first six clauses; and that is gratifying. On such a bill as this, having no purpose but to help the farmers, all the farmers, not only those of the west but of the east, I think we should get together, knowing as we do the present state of agriculture in this country.

I am rather amazed to find some hon. members so suspicious about the powers to be given under this bill. It is contended that it takes from the farmers the control of their products, giving too much power to the Minister of Agriculture or the boards that may be set up. In that connection I notice in the bill the following provision:

7. (2) A representative number of the persons operating under a scheme approved under section five of this act may petition the minister to revoke the scheme.

That is, when the farmers themselves, or a certain number of them, have petitioned the minister to set up a board, and the board has been set up and has operated, should they find that there is any failure in it, the same number of men or others, if I interpret it aright, would be empowered to come with a petition to the minister and ask for the revocation of this scheme. I think that is sufficient protection; I do not think the farmers should be afraid in view of that.

Then it has been said by several speakers that the rights of the farmers are being taken away. I want to ask who in that calling has any great rights to lose at the present time? In other words, what have we to say about any commodity when we go to market it? Very little, I think we must confess, as to the merchandising of it.

Mr. VALLANCE: You will not have any under this bill.

Mr. LOUCKS: I think my hon. friend will admit that that is the situation. Some six weeks ago I had occasion to go to the market in Ottawa. Walking around I priced eggs, which I shall use as an illustration. I asked one farmer, "How much do you want for your eggs?" He said, thirty cents a dozen, and I guarantee them to be fresh." I asked the adjoining farmer what he wanted for his eggs. He said: "Thirty-five cents a dozen." "How can you expect," I said, "to get thirty-five cents for your eggs when your neighbour here is offering me eggs for thirty cents, and guaranteeing them just as fresh? He said, "Is he really offering them for that"? I said, "Yes." I called them together and asked them how they liked their system of marketing. That is the condition prevailing even on the Ottawa market, which I believe is considered one of the best in Canada for agricultural products. I can go back to my boyhood days when I drove a one-horse wagon here in old Ontario and took my mother to market; I remember my mother being just as disappointed in selling her eggs as that man was. Who was her competitor? Her next-door neighbour. And that condition still exists. I asked these farmers how they would like what this bill provides for, a scheme making it possible for them to cease competing with each other. That is the trouble, the same as with this vast amount of wheat.

Now what happened after we operated a wheat pool for some six or eight years? Do not forget that while starting with the pool was optional, it was compulsory after we had signed. Something has been said here about the penalties. Let me tell you that when I signed the contract of the wheat pool I agreed to be subject to a penalty of twenty-five cents a bushel should I market outside the pool. That would have meant to me probably about $2,500 on a crop of 10,000 bushels. Why did I do that? Because I was convinced that I should not be a competitor of my neighbour or the other farmers of Saskatchewan. The penalties provided under this bill are from $25 to as much as $500 or three months in gaol. The farmers of Saskatchewan were willing to subject themselves to more than that to save the situation for orderly marketing.

If ever there was a time in the history of Canada that regulated marketing was necessary it is now; I think we all agree on that.

Another feature on which this bill has been criticized but which I think necessary is this. Last fall, for instance, in my part of the country—and I think this would answer the hon. member for South Battleford—we had thousands of pigs weighing perhaps fifty to sixty pounds each, and the time came when the barley or whatever grain they had ran out. The farmers had not a dollar to buy grain to finish these pigs, so what did they do? They sent them to the Saskatoon stock yards, and the price realized would not average $2 each. Would it not have been a good thing for those farmers if there had been in effect some measure such as this, so that the board could come to their rescue, go to the bank if necessary and get a loan to buy barley, which was only twenty-five cents a bushel? Just imagine the earnings that could have been made if a bill similar to this had been in force, and that applies equally to cattle. Thousands of cattle were taken to market when they were not fit for sale at all, and so far as prices were concerned they were practically slaughtered on the markets of Saskatoon and all over western Canada.

Some mention has been made of quotas. We know we have a wheat quota to-day, and I found it very gratifying to read in the newspapers recently that some fifteen nations were getting together, in Rome, to agree according to the report, upon a world pool. They are not only the producers and exporters; they are the importers as well, the producers and consumers, if you like. There is an example of cooperation between the consumer and the producer. We have read the evidence brought out in the price spreads committee, and surely it must be agreed that it is a step in the right direction if we can prevent such spreads. I believe hon. members will agree when I say that the farmers cannot go on unless we do something to raise commodity prices. How can we do that? One way is by means of this marketing board. I was told by a solicitor for the wheat pool that they are well satisfied with the proposition, that they would not want one clause removed though they might add two or three more. Surely by setting up this board we can eliminate a great deal of that spread; surely we can raise commodity prices. When I go down the street of any town or city and pass the stores I often think that while I might go in and offer so much for an article, it is not possible for me to dictate the price that any merchant need accept. What would happen to their businesses if they had nothing to say with regard to the price for which their articles were sold? When we come to the farmer, however, that is exactly the situation that prevails. He has never reached the point of being able to say anything as to the price for which he shall sell the commodities he produces. Surely no one is going to object if he tries to do that now.

The hon. member for South Battleford (Mr. Vallance) referred to the Scottish cooperative in his own home county. Naturally they would take exception to the activities of Mr. McFarland and to this government guaranteeing the banks in an attempt to secure some decent price for our wheat. I know that when we organized our pool the Scottish cooperative took exception to our action, naturally enough, since they have elevators scattered here and there over our province. Why did they take exception? They did so because, when we had eighty per cent of the wheat under one control, it hurt their business. Yet the hon. member for South Battleford gets up and almost applauds the Scottish cooperative while condemning the government for having come to the rescue of the farmers of western Canada by guaranteeing the banks in order to take the wheat off the market. Let me point out to my hon. friend that if the growers of Saskatchewan, Manitoba and Alberta had signed contracts for another year; if we had retained that control of the wheat which we possessed when we had about eighty per cent of the farmers united and if we had continued to make the initial payment to the farmers there would have been no need of the government stepping in. But wheat got out of order again and it was necessary for the government to come to our rescue. That was the reason that action was taken, and that was the only reason. We reached the point where we refused to sign our contracts and to-day, while we claim we have wheat pools, the farmers are putting their wheat through any elevators at all. I will agree with the hon. member for South Battleford that the price dropped so low that the initial payment would not have been sufficient to finance operations for the coming year, but that was what happened.

I want to make it very clear, as a member from Saskatchewan, that I am interested in other commodities than wheat. It is a great mistake to suppose that Saskatchewan produces nothing but grain. Saskatchewan is the leading producer of horses; it stands second in poultry, third in milk, third in pigs and fourth in the number of cattle. So I am doubly interested in seeing that everything

possible should be done to assist agriculture in this country, because we are vitally concerned in almost all agricultural activities.

When the Minister of Agriculture (Mr. Weir) introduced this bill a few days ago he referred to several commodities and mentioned the extent to which they were produced and consumed in Canada. For instance, more than ninety-nine per cent of all the eggs we produce are consumed here. Surely something can be done to raise that commodity price. I do not mind telling you, Mr. Speaker, that when I was home at Easter eggs were worth barely eight cents a dozen in our town. What farmer can continue at that rate? My son received 38 cents for five dozen eggs, in our own town. In connection with sheep and lamb, ninety-nine per cent of the production is consumed in Canada, yet the farmers have no say as to what price they shall receive. When I hear hon. members talk about the need for foreign markets it seems to me we had better set our own house in order first, and I believe this bill goes a long way in that direction. We consume 98.9 per cent of the butter we produce and over 98 per cent of the poultry. Let me say that last fall, in November and December, I saw turkeys brought to the market in Saskatoon, and I actually saw women with tears in their eyes because they had to sacrifice their poultry. Why was that? There was no order about it. I actually saw one woman come out of a store with tears in her eyes. She had gone there expecting to get so much for her poultry, but she did not get anything like what she hoped. That was because John Jones, Tom Smith and other people had been there before her and too many turkeys had been placed on the market. Surely we can regulate that, to some extent at least.

I want to say again that I am glad the government of Canada have come to the point where they see the possibility of doing something in this direction and are bold enough to take a step forward. In connection with cattle and beef we consume over ninety-seven per cent of our production according to the official statistics; more than ninety-six per cent of our potatoes, ninety-five per cent of our pork products, ninety-four per cent of our oats and eighty-eight per cent of our barley are consumed in Canada. Yet we have been sitting here looking at each other and doing nothing. I do not think they mean anything by it, but I sometimes wonder why some hon. gentlemen in this house object so strenuously to the farmers doing as others have done in an attempt to guarantee at least a reasonable price for what they produce.

In the amendment which was ruled out of order this afternoon the leader of the opposition moved against compulsion. I want to say right here that this measure would not be worth the paper it is written on if there were not compulsion in it. What good would it be? I believe I can make myself clear by explaining the situation in regard to wheat. Last year and for two or three years prior we did not have the farmers in western Canada, and particularly the province of Saskatchewan, on contract, and because there was no compulsion the wheat was rushed on to the market at Winnipeg. I admit that I was not bound to sign a contract—it was optional—but after I had signed, what happened? I was under compulsion to live up to that contract and to do nothing else. That is what compulsion means, and it does not mean anything else.

I do not think we should become fearful of the set-up of the boards. I have no doubt that the local boards will consist of men drawn from agriculture. There is no doubt about that. I was pleased to hear the ex-Minister of Agriculture state that he would like to see something done very quickly. He intimated that if the bill went to the committee on agriculture probably thirty days would be required for discussion. In that connection I want to say this: I hope we are not going to waste thirty days in the passing of this bill. If there is any one thing which more than another is disgusting to the people out in the country, it is that very thing. They see us coming down here and sitting day after day, day after day. What did we do this afternoon? We wasted nearly all of it disputing the amendment offered by the right hon. leader of the opposition. I wonder what the people back in the country think of us when we sit down here arguing, arguing. We argued for weeks to get the relief measure through the house, and we argued this afternoon on a little point in connection with the amendment. That is not what the farmers are thinking about.

When I landed home on a Saturday a meeting in my home town had been arranged. The farmers who crowded the hall wanted me to give them an outline of the marketing bill. As I had a copy with me I took it clause by clause; I explained it to the best of my ability, and I tell hon. members right here and now that in regard to that bill there was not a dissenting voice. They were one hundred per cent behind it. They said, "If you can do something like this, your government is working, and working in the right way." There were men in that meeting who would not consent to wheat pool contracts; they refused to sign, but they see now the results of their folly. I want to say in all fairness, however,

that you may go into any community you like and you will always find that minority which did not cooperate. Even when the telephone system was being developed in western Canada, over twenty-five years ago there was a minority which said, "No, we want to see the telephone in operation and we want to know what we will receive from it before we will have anything to do with it or take any share in its operation." We will always have such minorities, and we had them when we signed those contracts. Do hon. members mean to tell me that when a minority refuses to cooperate for its own good and for the welfare of the majority, some rule should not be brought in whereby—for their own good, mind you,—they may be forced to come in and to cooperate? Certainly there should be. It is not harmful to them; it is in their own interests. That condition however will always exist, because there is that class of men. And while we have adopted cooperative measures in western Canada I should like to be fair to those who would not cooperate; their attitude is due to lack of education. But to-day there is a greater grasp of what cooperative marketing will do than there has been at any previous time, because men—even that minority which kept out of the wheat pools—are beginning to realize that by so doing they did not help themselves. They are helpless so far as the marketing of their wheat is concerned. They would cooperate to-day.

In my section of the country, whether they be Liberals, Conservatives or members of the Cooperative Commonwealth party, almost one hundred per cent of the people are giving credit to the government because it helped to finance wheat operations and to see that wheat was stabilized at a certain price. The people are behind that action; there is no doubt about it.

On a certain day in Regina I met the sixteen directors of the wheat pool who said, "Mr. Loucks, you may tell this, if you like, that irrespective of politics, if there is one man to whom we want to give credit it is the Right Hon. R. B. Bennett. We give him credit because he went to London and while there cooperated with representatives from twenty-one countries in order to obtain a quota and to help the wheat growers in western Canada." The executive of the wheat pool made that statement, and in making it they were only fair. They realize what the government has done. They realize, further, that such action must come. I believe that in connection with every commodity there may have to be a quota; there is no question about that. To-day the problem is not one of production but one of merchandising that which is produced.

Only this morning some members visited the experimental farm in order to observe experiments being made along certain lines. I could not help thinking: After all, what good will come of these experiments? I do not want anyone to think that I am undervaluing the work being done at the experimental farm, but no matter how well an animal is bred, no matter how carefully it is developed, if it cannot be marketed in an orderly way so as to obtain something from its sale, there can be very little use in taking special care in breeding. While visiting the farm we observed experiments in connection with poultry, but my mind went back to the fact that eggs in my constituency were worth only eight cents a dozen. I had to think of those facts, because I know the circumstances. If after all these experiments have been made at the experimental farm, through a bill such as the one before us we can make it possible for the farmers in Canada to obtain some profit, then I say we should act promptly.

But this bill goes even farther than that: it provides for investigations. Why is that provision made? If the hon. member for Winnipeg North Centre (Mr. Woodsworth) were in his seat I would assure him that the investigations could go far enough to see that we as producers do not exploit the consumers. No farmer will object to that provision, because he does not wish to exploit the consumer. The bill takes care even of that possibility.

For these reasons I cannot see why we cannot get together and set an example. Why cannot representatives in this House of Commons, coming from all parts of the dominion, for once present a united front in connection with this bill? All hon. members know that if at a later time one clause or another did not meet with the approval of an hon. member he would be at liberty to move an amendment. True, there may be weaknesses in the bill, but they could be remedied in committee. In the event of an hon. member opposite offering an amendment in the interests of the farmers, I believe I would be open minded enough to accept it. If agriculture would be helped by such amendment, I would agree to it.

There is a further condemnation of the bill in that it promises subsidies. That is, whenever a farmer is dictated to, if you choose to use that term, in connection with cattle or any other commodity, there is a clause providing for a subsidy; he will be helped because he has had to hold back a shipment of

cattle. In my view that part of the bill particularly commends itself. It has been the subject of much great criticism, however; it seems that in some cases guarantees are considered necessary, but when it comes to the farmer objection is taken. This bill goes to the extent of subsidizing when it is felt that it is not desirable to ship a certain commodity. We ought to cooperate with the farmers in Great Britain, but how are we going to do it if we do not have some means of effecting that cooperation? Certainly we do not wish to flood the English market. We say to the farmer who is not allowed to ship wheat, "We will subsidize you for a certain amount." I hope the Minister of Agriculture will for the time being leave that clause as it is.

The farmers are not able to finance the setting up of the machinery and I would not like to see the act crippled for the lack of funds to set the machinery going. I make this prediction, however, that once it is established, almost automatically the farmers will take care of it. They are not the ones who are always wanting to go to the consolidated revenue fund—not at all. I would remind hon. members that the farmers of western Canada financed the machinery under the old wheat board. There was no objection whatever to doing that. The farmers do not object to financing the marketing of their own products. We have financed millions and millions for the wheat pool, two cents a bushel for the elevator and one cent a bushel for reserve. I hold over $2,000 in certificates myself. I did not object if I was going to get a better price for my wheat, and I do not think I should ask someone else to pay that for me. But things are so serious for the farmer at the present time that for the first year at least I hope this clause will be retained in the bill whereby the government can come to the rescue and help with the financing of things in which the farmers will need a little assistance.

I have spoken at considerable length, Mr. Speaker, and I do not think it is necessary to occupy the time of the house further in expressing my approval of this bill. I am not one of those who feel like criticizing altogether hon. members of the opposition for their attitude in regard to this bill because there are some things about each other that we do not very well understand. For instance, my hon. friend from South Battleford (Mr. Vallance) and I have cooperated in pretty nearly everything, but he cannot cooperate with Mr. Loucks on this bill. His constituency adjoins mine and his people need this bill just as much as mine do, but I notice that his last words in addressing this house were that he was going to oppose the bill. I fear for him when he tells the farmers of his constituency that Mr. Loucks of Rosetown supported this bill and he did not. I am afraid of what the farmers will say to him, but I am generous enough to be ready to go and help smooth things over for him and patch it up. But when I go back to Rosetown constituency myself I know that I need have no fear at all because of my attitude on this bill.

The bill is very simple. There are only about three clauses that are important. The most important provisions are those providing for orderly marketing and the regulating of the things that we produce. My hon. friend from South Battleford and I have cooperated in different organizations out there. I have listened to him speak many times on agricultural matters but I confess that I never heard him labour harder than he did when he was addressing this house the other day and endeavouring to justify his opposition to this bill. The first time I met him he was organizing a farmers' union. I have always looked upon him as a man who was trying to help agriculture, and therefore I was more convinced than ever when he was opposing this bill that he was labouring under a handicap; but I will help him if I possibly can.

I have been informed that the hon. members in opposition in this house were told that they must oppose this bill; that has come to me pretty authoritatively. I can tell them further that the solicitor of the wheat pool went around to some of the members from Saskatchewan and tried to whip them into line, and told them that if they did not support the bill it would be very serious politically for them. He came into my office the other morning—naturally he comes to me because we have discussed it—and he said that he would like to see the bill go further. He and I have spoken from the same platform and we are in sympathy in regard to agricultural problems, although we do not agree politically. So I will advise my hon. friends opposite from Saskatchewan not to go too far in opposing this bill. I am glad, Mr. Speaker, that I am free. I feel fully justified in supporting the bill because it is trying to do something for the farmers; it is giving them a chance to live.

We are not living in the past. As I said earlier in my remarks, I drove my mother in a one-horse wagon to the Kingston market, and she had to be penalized in selling her butter and eggs. Do hon. gentlemen think that with the vision we have to-day we are going to be content to live in the past? Not at all. It has been suggested that this gov

ernment is becoming too socialistic, but I want to warn those who have made that suggestion that we have got to step forward, and this bill is a step forward. That is why I can support it and go back and defend my attitude in Rosetown constituency one hundred per cent, and if necessary when I go back I will try to fix up things for my hon. friend from South Battleford.

Mr. VALLANCE: May I ask my hon. friend a question in regard to the statement he made respecting the solicitor of the wheat pool? Would he mind telling us just who the members were that the solicitor saw and told that they had better not raise any objection to this bill?

Mr. LOUCKS: He did not mention the names but said he went around among the Saskatchewan members.

Mr. TURNBULL: He got the hon. member for Melville (Mr. Motherwell)

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

PRIVATE BILL

SECOND READING—CONSIDERED IN COMMITTEE AND REPORTED

Bill No. 58, to amend an act to incorporate the Discount and Loan Corporation of Canada—Mr. Sullivan.

MARKETING ACT

ORGANIZATION TO IMPROVE METHODS AND PRACTICES IN MARKETING NATURAL PRODUCTS

The house resumed consideration of the motion of Mr. Weir (Melfort) for the second reading of Bill No. 51, to improve the methods and practices of marketing of natural products in Canada and in export trade, and to make further provisions in connection therewith.

Mr. A. F. TOTZKE (Humboldt): Mr. Speaker, just before the house rose at six o'clock we were listening to an address by the hon. member for Rosetown (Mr. Loucks). I paid close attention to his remarks, but about all I could gather from them was that he was in favour of the bill. He had nothing particularly new to bring forth, so I am sure he will pardon me if I do not follow him in the few remarks I wish to make. However, the hon. member said one thing which I do not think I can allow to pass without comment. He made a positive statement to the effect that the solicitor for the wheat pools had gone around to some of the members from Saskatchewan to try to whip them into line by telling them if they did not support this bill it would prove very serious politically for them. The hon. member said that the solicitor had come to his office the other morning, the inference being that the solicitor had told the hon. member that he had gone to see some of the Saskatchewan Liberal members to whip them into line. I know the solicitor for the wheat pools very well and I do not believe he said anything of the kind.

Mr. LOUCKS: I take exception to that. I claim he did say just what I said.

Mr. TOTZKE: I still say that I do not believe the solicitor for the wheat pools said anything of the kind and I do not think I am departing from the rules in making that statement. I submit that that is a matter between the hon. member for Rosetown and the solicitor for the wheat pools. I say that that statement is entirely incorrect so far as I am concerned, because the solicitor did not try to coerce me in any way either to support or to oppose the bill, and so far as I have been able to learn from my colleagues from Saskatchewan, the solicitor did not try to coerce any of them.

During the course of his remarks the hon. member for Rosetown said that he was glad he was free. I am glad also that he is free and I am sure he will have still more freedom after the next election. We are responsible to our constituents for our actions, and I am sure all hon. members on this side are willing to leave any judgment upon their actions to the constituents who sent them here as their representatives.

I should like to deal with some of the provisions of the bill now before us, and to give as clearly and as concisely as I can my interpretation of them as well as my reasons for the action I intend to take upon the motion for second reading. The bill is entitled:

An act to improve the methods and practices of marketing of natural products in Canada and in export trade, and to make further provision in connection therewith.

If that title gave us a true picture of what was intended to be done by the bill, I think all hon. members on this side would be only too pleased to support it. However, as I read the bill it is a long way from doing that. Instead of tending to improve the methods and practices involved in the marketing of natural products, the bill really tends to restrict that marketing. In introducing the bill

the Minister of Agriculture (Mr. Weir) started out by saying that he would not speak at any great length at that time. He said:

> . . . there will no doubt be ample opportunity to make any observations that I think it necessary to make when the bill is before the committee.

To me that seems a very strange attitude for a minister to take in introducing a bill having the supreme importance of this one. At a stage of the procedure when the principle of the bill is being discussed he did not take the opportunity of developing fully the provisions of the bill in order to show the people throughout the length and breadth of this land just what this bill means. These people are waiting anxiously for that information, but he did not take the opportunity to indicate to them precisely what was in his mind as to the meaning of the provisions of the bill. Perhaps the minister was not any too sure himself as to what its provisions mean. I am sure he knows quite well what the people of Canada, and especially those of western Canada, have been expecting in the way of legislation to take care of the marketing of their products. It is my impression that the minister himself was not any too sure about the bill and was not any too well satisfied with it.

The minister in his speech first gave us a history of marketing as it affects agricultural products and the reasons for the failure of some of the cooperative associations that have been trying to take care of marketing natural products in different parts of the dominion. He said first of all that they did not have the proper men at the heads of the organizations; second, he said that the cooperatives themselves lost sight of the necessity of improvement in the quality and quantity, and of continuity of supply; third, he said that efforts had been made by private interests throughout the country against the success of the cooperatives and in that way a good deal was done to prevent them from succeeding. He said also that the executives of the cooperatives were chosen for their business ability and had no vital financial interest in the production of the natural products which they were undertaking to handle. Again he said that the number of producers who had remained outside the cooperatives depressed the market and thus undermined the efforts of the cooperatives. He said that the bill would take care of all, or at least the majority, of those difficulties and bring about better marketing conditions. In other words, he said in effect that if provisions similar to those contained in the bill had been in force the cooperatives could have been successful in the past. As I develop my argument I intend to deal with some of these matters.

The minister said that a great deal of thought and consideration had been given to the preparation of this marketing bill. I do not doubt it, but I wonder by whom that thought and consideration were given. I feel satisfied that it could not have been the Minister of Agriculture who was responsible for the bill. Anybody who has studied it and knows the minister; who knows the part of the country from which he comes, knows he is fully aware of the ideas and the desires of the farmers at least of western Canada in connection with a marketing bill of this kind, and I do not believe the minister himself, had he been drafting the bill, would have done anything other than put into it what the farmers, those who had been taking part in those cooperative movements, desired in connection with the marketing of their products.

This afternoon there was a considerable argument on the principle of this bill. The Minister of Trade and Commerce (Mr. Stevens) said that there was only one principle, that of establishing a marketing act; that that was the whole principle contained in the bill and on that principle we should vote on the second reading. But after listening to the speech of the Minister of Agriculture and reading it over in Hansard I notice he says that three principles are contained in the bill: first, to give the producer control of the regulation and marketing of his products; second, that organizing and getting closer to the market would show the necessity of improving the quality; third, that this plan was necessary so that the primary producers might devote their entire time to production and be assured of no interference in marketing. With these principles I wish to deal at more or less length. I think the summary I have given of the remarks of the Minister of Agriculture, together with his statement that agriculture is the basic industry of Canada and that the country cannot succeed if agriculture and other primary industries do not succeed, will pretty well cover his speech.

I want to congratulate him on his speech, not so much for the explanation he gave of the bill—because, indeed, explanation was conspicuous by its absence—as for the tone of his speech. He was very moderate, more moderate than he usually is; and I should like to congratulate him upon the fact that in his speech there was nothing in the way of political partisanship. But I am disappointed that he did not go into the provisions of the bill. If in his dissertation on the problems

and difficulties of the primary producers in marketing their products he had indicated the manner in which this bill was to take care of those problems and difficulties, it would have been much more to the point and more what the people generally desire.

The minister said that he had received many resolutions supporting this bill. I wonder how many resolutions he has had in support of it since the people throughout the country have had an opportunity of studying its provisions. I wonder also, since the bill has been studied, how many resolutions he has received expressing dissatisfaction with its provisions. I have under my hand a news item from the Winnipeg Free Press of March 28 of this year, giving an account—

Mr. MORAND: That is not news.

Mr. TOTZKE: I know the editor of this paper is one of those who sits in an office and gets a few paltry dollars a month and therefore should not know anything about what is agitating the minds of the Canadian people, but this article does not happen to be an editorial. This is an interview given by Mr. W. A. Landreth, of the poultry pool. Time will not permit me to quote the whole interview, but I wish to read just one sentence—and I may say that this gentleman in this interview was inclined to support the bill. He says:

> The aim of the bill is producer control based on the British marketing act.

We know that producer control in this bill is not based on the British marketing act, and I have often wondered what this gentleman's reaction was when he actually got a copy of the bill and studied its provisions. I am satisfied that he would give an entirely different interview from that which he gave to the Free Press at that time.

It is significant that so few of the members supporting the government have risen to speak in favour of the bill.

It is true that a number of them have said they are in favour of it, but invariably in the course of their remarks they had to read something into the bill. They said they were in favour of it if so-and-so were incorporated; or they were in favour of it but felt the government was going to make certain amendments. That was invariably the case in all speeches made by hon. members opposite, and I want to give some short quotations from their remarks to show that I am correct in making that statement.

The first to speak from the government side following the address of the minister was the hon. member for Yale (Mr. Stirling). I have a very high regard for him; I believe he is sincere in everything he says in the house, and I know he is particularly interested in marketing legislation because he represents a number of fruit growers in the Okanagan valley who have in the past tried to market their products through a scheme of compulsory cooperation, and only the fact that the bill was declared ultra vires by the courts prevented them from carrying on that method of marketing. So I say that he is very much interested and very sincere. I quote from his speech on page 2255 of Hansard:

> Under section 5 of the bill the producers may join together in the preparation of a scheme which is submitted to the minister for his approval. The minister must satisfy himself that there is a sufficient volume of support behind the scheme. How is he to do that? In my opinion the only way he can do it is to have the figures of a poll laid before him. It is most desirable that the scheme should make provision for registration and polling.

The hon. member for Yale is supporting the bill, but one of the very essentials that he asks for is not in the bill, and we have no assurance that it is going to be embodied in it.

Then I take another quotation from the hon. member's speech, found at page 2256:

> It is almost certain that any scheme will contain the idea of a board selected by the producers to be in charge of the fruit or whatever commodity it may be which they have to handle.

He says "it is almost certain," but again there is nothing in the bill to warrant the assertion that the producers will select the board.

Here is another quotation from the speech of the same hon. member, found at page 2257:

> Therefore the practical method of doing it is for them to market where directed by the regulatory body, and for the receipts of that variety and that grade to be pooled. There is no doubt, I maintain, that under subsection (a) of section 4 that power is covered by the bill, but it appears to me it would be a desirable thing for a definite statement to be made by the government as to whether I am correct in reading that into the bill, because it will have a very considerable effect on the volume of support which this measure will receive in certain farming communities.

Once again he wants the government to say that he is correct in reading this provision into the bill. I maintain that these things are not provided for in the bill as it stands.

Then I wish to refer to one or two remarks made by the hon. member for Brome-Missisquoi (Mr. Pickel). At page 2311 he is reported as saying:

> This criticism from the other side of the house is simply for political purposes.

Now, Mr. Speaker, if the criticisms coming from this side of the house are simply for political purposes, how about the criticisms that are coming from behind the government itself? Are they also for political purposes? Or is it perhaps that the bill has been introduced for political purposes? Is it that an election is in the offing and this bill will be put through and the election held before its provisions may be tried out.?

Mr. McINTOSH: Surely they would never do that!

Mr. TOTZKE: Lower down on the same page the hon. member for Brome-Missisquoi is recorded as saying:

Well, Mr. Speaker, I am an eastern farmer and I am opposed most strongly, not to the grading acts themselves, but to their administration and operation. That is what I am opposed to.

I am in favour of the grading of products. In respect of our products for export it is necessary to have grading systems, proper quality and continuity of supply, but I say to the hon. member for Brome-Missisquoi that if these boards are established there will be just such grading as there is at the present time. Does he think for a moment that the grading done by the officers of these boards will be any better, any more satisfactory than the grading done by the inspectors under the present act? I say it will not. And the average farmer, who after all is human, will not be satisfied with any system of grading if he thinks the grading of his products has not been done fairly, if he thinks he should have had a better grade than the grader gives him.

Lower down on the same page the hon. member is reported as having said:

And the packers will buy butter at fifteen and sixteen cents this summer and sell it at fifty and sixty cents a pound next winter. Is there any justice in that? Do we not need a marketing board?

Are these marketing boards going to be in a position to do what the hon. member for Brome-Missisquoi wants them to do? Are they going to be in a position to take butter and eggs and perishable products in the summer, give the producer a reasonable price for them, and carry them over to the winter? Why, the very bill prevents them doing that. They are not buying and selling agencies, they are only directing and regulatory agencies. While they have under this bill power to build cold storage plants and in that way take care of perishable products, who is going to advance the payment to the producer? These boards have no right to do that. Therefore I say that the hon. member for Brome-Missisquoi was reading into the bill something which is not there.

Further on he was asked if this bill was going to fix up all our troubles, and he said, "It should, let us try it; I am willing to try anything." I also say that the bill should make provision to deal with the difficulties of which the hon. member speaks, but it does not do so; therefore we are not justified in supporting it in its present form. We are all ready to do anything we can to improve the position of the producer, but surely the combined wisdom of the Minister of Agriculture, the Minister of Trade and Commerce and other members of the cabinet, not to mention the Prime Minister, could have evolved a better marketing bill than this.

I want to make one or two quotations from the speech of the hon. member for Regina (Mr. Turnbull). He usually is a very able debater. Seldom is he at a loss for arguments in support of any bill introduced by the government, but in this particular case I was very much disappointed in him. I felt that he had to labour very hard indeed to find some justification for supporting this bill. At page 2381 he is reported as follows:

The farmers of Saskatchewan had lean cattle and, he said, the board would prohibit the selling of them.

He was referring to an hon. member on this side.

It will do nothing of the kind. What the board would do would be this. It would direct that those lean cattle be placed where they could be developed into fat cattle and sold to proper advantage.

Where is there anything in the bill that provides for places and men to take these lean cattle and fatten them to the proper condition for the market? There again the hon. member for Regina is reading something into the bill which is not there. Under this bill I say that these difficulties cannot be overcome. For example, when hogs are in the proper stage as regards weight and conformation they may be sold as bacon hogs or as selects, but if you have to keep them even two or three weeks longer they become too heavy and the producer loses the advantage of the price paid for bacon hogs and the dollar premium for select bacon hogs.

I am afraid I am not going to have time to go into the provisions of this bill as carefully as I should like, but there are certain things that I wish particularly to speak about. This bill does not give the producer the control over the marketing of his products which he desires, and which in my opinion he should have. In the first place, it sets up a dominion marketing board which is to be under the control of the government and governor in council, but it makes no pro-

vision whatever for any control on the part of the producer. All through the bill I have been looking for any provisions that might give the producer some control over the marketing and regulating of his products, but I can find none. Subsection (a) of section 4 provides that the board shall have power:

To regulate the time and place of marketing the regulated product, and to determine the manner of distribution and the quantity and quality or grade of the regulated product that shall be marketed by any person at any time, and to prohibit the marketing of any of the regulated product of any grade or quality.

The board has complete control as to what shall be done in the way of regulation and marketing. In subsections (c) and (d) provision is made for compensation to the farmer on account of any loss that he may incur in consequence of any order of the board. That is all right so far as the farmer is concerned; I am all for compensation for him in such an event. But I would point out that there would have to be found an army of investigators. And who is to decide whether the compensation is just or not? No opportunity is given for the farmer himself or his peers, his fellow farmers, to have anything to say as to whether the compensation provided is satisfactory or not. I say therefore that under this provision it will be very difficult indeed to give satisfaction to the producer. Subsection (e) gives the board power:

To assist by grant or loan the construction or operation of facilities for preserving, storing, or conditioning the regulated product and to assist research work relating to the marketing of such product.

That is a very good provision; facilities of one kind or another should be afforded to take care of storage and processing of farm products. Such facilities are very necessary, but we should pause to consider the expense to which all these things will lead. Here, however, is one section that I cannot allow to pass without comment. I refer to the provision contained in subsection (f) of the section I am considering:

To require any or all persons engaged in the production or marketing of the regulated product to register their names, addresses and occupations with the board, or to obtain a licence from the board, and such licence shall be subject to cancellation by the board for violation of any provision of this act or regulation made thereunder.

In this section the board, over which the farmer will have no control and in the composition of which he will have nothing to say, will have absolute control over the producer, and by the cancellation of his licence they may restrict his production or refuse altogether to allow him to produce any goods at all.

[Mr. Totzke.]

I am afraid, Mr. Speaker, that I shall have to leave the various sections of the bill which I should like to deal with, inasmuch as there are some general remarks I wish to make in connection with the matter. Let me say first of all that this bill does not meet the situation; it does not give those powers which the farmers, more especially the producers of western Canada, are looking for. I know from my personal experience in western Canada something of what the farmers wanted, something of what the cooperatives wanted in connection with this marketing legislation. In the first place, they wanted power to form compulsory marketing pools. There is no question of that in my mind; I have no doubt that those who have been agitating most strenuously for marketing legislation of some kind such as some of our producers have are absolutely in favour of compulsory pools. The producers in the west are not unanimous on this, but there is considerable agitation and there are some arguments to be advanced in favour of it. What the pools themselves, or at any rate the majority of them, want is power to make it compulsory, but they do not want that power in any arbitrary manner; they want the producers to have an opportunity of voting on the question whether there shall be a compulsory pool or not. The only thing they want is that a certain majority should be fixed at a very high percentage, and if that high percentage of a majority vote in favour of it, then the minority shall be forced to come into the pool. I am not advancing as my own opinions any of the statements which I am now making, but rather my impression of what the farmers of the west, or at least some of them, are asking for.

In the second place, I am sure that the boards and those advocating a marketing plan want the power to buy and sell; at any rate they want the power to act as selling agents. I am sure they want control of the boards themselves, and they want the power to disband the board if necessary. As I said before, I have no doubt that all those who are agitating in favour of these powers are averse to having the powers without an opportunity being given the producers themselves of voting on the scheme, so that by their vote they may say whether they want it or not.

I wish to say a few general words now. The Minister of Agriculture, in the course of his remarks, said that agriculture is the backbone of Canada. I have no doubt that every one in this dominion will admit that agriculture is our main industry, and that if agriculture

is not prosperous the rest of Canada cannot be prosperous. In my own province of Saskatchewan the farmers are not prosperous; indeed, they are in very bad shape, because they need markets for their products. The members of this government admit that that is what is needed by the producers, but they say that at the present time the markets of the world are restricted and we should regulate our supplies. Well, there is nothing in this bill to promote the extension of markets for our products. What the farmer of western Canada wants more than anything else is for someone to sell his products for him. He wants somebody, whether it be the Department of Trade and Commerce or whoever it may be, to go on the markets of the world and sell his goods. The time has passed when we in the west can sit back complacently and say, "We have the best wheat in the world; the nations cannot get along without it and therefore they will come and buy it." We have had the experience of being unable to sell our wheat in that way and I say therefore that we need someone to sell it. If we cannot find a means of disposing of it, it will be a very short time before the farmer of the west is out of business.

What has this government ever done to sell the products of the western farmer? An imperial conference was held in Ottawa and we were given a six cent preference on our wheat. We were to sell it at the world price. Has this made a market for our wheat? Not at all. The hon. member for South Battleford (Mr. Vallance), in his remarks the other day, read a letter from an old country firm setting out the situation with regard to wheat in Great Britain. There was a table which he wanted to put on the record; I have it before me but I am afraid I shall not have time to put it on either. Not only have the farmers of Saskatchewan, Mr. Speaker, suffered from poor crops due to climatic conditions, but the prices for their products have fallen away below production costs, and now we are asked to restrict our production in the hope that prices will go up. The farmer in western Canada does not want restriction; what he wants is a bumper crop and fair prices, otherwise he will never get out of the hole. I say that this government should go to those countries in Europe which formerly imported our products and make trade agreements with them. We should say to those countries, "We will take some of your products if you will give us the opportunity of sending wheat to your country." At the conference recently held in Rome, France made the offer that she would be willing to reduce her wheat acreage if she were given the opportunity to place some of her manufactured products on the Canadian market. Why do we not accept that offer? Is it not time we got away from the idea of protecting some of the little secondary industries in eastern Canada? Is it not time that we gave proper consideration to the primary producers? Is it not time that we gave the western farmer a chance to buy some of his implements of production and necessities of life at more reasonable prices, in order that he may more nearly equalize the cost of production with the price he receives for his products? The farmer in western Canada through all these years has been paying through the nose. To-day he is in the position where he can see no hope. All the agitations and radical speeches made in the western provinces are the result of the position in which the western farmer finds himself. What he wants and what he needs is an opportunity to trade his products for those which he requires produced in other countries. He wants an opportunity to carry on that trade in a fair and reasonable manner. That is the only way in which he may hope to survive.

Mr. C. N. DORION (Quebec-Montmorency) (Translation): Mr. Speaker, representing a county which comprises a population three quarters of which are farmers, I deem it my duty to briefly comment on this bill No. 51.

The title "The Natural Products Marketing Act" summarizes all its economic purpose.

Ever since the mechanization of industry which gave birth to economic liberalism—the primary cause of the ills from which this modern world suffers, at present—numerous measures have been enacted by various countries; however, such legislation, as a whole, only concerns trade and industry. The present bill under consideration is one of the most progressive measures ever submitted to the parliament of Canada, and that is what gives it such importance, because by this legislation we are resolutely resorting to regulated economy, particularly in connection with natural products.

Since the government introduced this bill, we have read some criticism in the press which sides with the oppsition, especially in the province of Quebec.

The conservative party is charged with having borrowed part of its program from the radical party, the C.C.F. We may reply, as Disraeli once said:

I am a conservative to preserve what is sound; a radical to suppress what is unsound.

For too long a time—we are aware of this, to-day, more than ever—the state has neglected to carry out one of its primary functions: to regulate the economic activities of the nation, not in the interest or for the benefit of the private individual or group of persons, but in the interest of the collectivity or community.

Up to this day, economic liberalism—which prompted Jean Baptiste Say to state: "Production opens markets to products"—made it a rule to prohibit any interference by the state in the economic field of activities. The rule of supply and demand was the law. Where has this principle in practice for over a century and a half led us? What do we see throughout the world after such a long period of indifference or "laissez faire"? Why has the state so long been reluctant to interfere in order to regulate the prices, salaries and markets? Those are as many questions which we have a right to ask and which the present bill will be a solution for many.

Indeed, it is not sufficient to have discovered new methods of wealth production, the means of specially putting such production in circulation and distributing it must be resorted to. I repeat what I stated a moment ago as regards mechanization of industry and economic liberalism; the first of these two sciences has attained a high degree of development; however, the second through abstention on the part of the state has lamentably dragged behind.

As George Boris wrote in his work intituled: "Problème de l'or et crise mondiale":

> There is no lack of motive power or means to create it. Neither are the building materials wanting; nor are we short of food to feed humanity or fuel to keep the people warm; nor are the textiles or leather wanting to clothe us. Large mills exist, new ones can easily be built and equipped to turn the raw material into articles of consumption. And the hands are also willing, only awaiting the order to start work.
>
> However, the means of distribution and exchange are not in keeping with the methods of production which could probably fill our requirements and wishes. That is the reason why the iron rule remains in force making the poverty of some the ransom for the welfare of others.

The period between 1914 and 1918 should serve as examples to us. It happened that troops were marking time on certain battlefields while others were almost overwhelmed by the enemy. What did those in command do under such circumstances? Did they send back home these unoccupied soldiers? No such blunder was made but there was a new distribution of the various units, troops were massed where the enemy was on the point of breaking through. So must we act in the economic field of activities. The duty of the state is to regulate the purchasing and marketing of natural products so that those who are short may purchase them from those who already have too much.

[Mr. Dorion.]

Why produce wealth if we do not know how to put it in circulation or distribute it? In fact, are not the two results sought by this bill to circulate and distribute our natural products? Mr. Albert Rioux, president of "l'Union Catholique des cultivateurs de la province de Québec," doctor of agricultural science, has a deep knowledge of farm problems—not only from a theoretical viewpoint but also as regards the practical side—he is one of the most brilliant Canadian scholars who studied the question, he wrote in the "Devoir" on April 10 and 17, two very interesting articles in connection with the act relating to the Natural Products Marketing Board. It will afford me pleasure, indeed, to see these two articles translated into English for the benefit of our friends who speak the English language and who do not read the "Devoir."

In the first of these articles, after having noted that, from the very outset of the crisis, all industries had taken measures to adapt themselves to the law of supply and demand by reducing their output and exercising a strict control over their members, the author adds:

> The farmers carried on their production, they even attempted, in a number of cases, to increase this production so as to compensate themselves for the loses sustained in the drop in prices.
>
> Moreover, agriculture is incapable of quickly adapting its production to the changing conditions of the market. Many factors which influence the agricultural output are uncontrollable by man. Isolated, essentially individualists, farmers cannot organize and easily group themselves to regulate their production and marketing activities.
>
> Free competitive methods have afforded an opportunity to large corporations to monopolize the distribution of most of the farm products.
>
> Ever since the crisis prevails, we note that, in all countries, the margin, between the prices paid to producers and exacted from the consumers is continuously increasing. The cost of distributing farm products is too greatly increasing. Briefly the situation of farmers demands state intervention.
>
> New conditions are developing, we are rapidly passing from a system of free competition to that of economic control.
>
> Regulated economy, means deliberate control of economic activities not for the benefit of one or groups of private interests but for the benefit of the community.
>
> In the past economy meant that the state was prohibited to interfere in the economic sphere; it trusted to the hazard of indifference or chance to solve social problems; it looked upon as sacred the law of supply and demand, abstained from influencing prices, wages and the market. This free competition

brought on chaos in the distribution of products, the fleecing of producers and consumers by trusts, overproduction and deflation of prices.

Agriculture, the industry of primary importance to society is also the one which has felt the crisis most and is the most helpless to react. Most of the countries have first attacked the wheat problem, the importance of which is foremost. Wheat is the foundation of agriculture; it fixes the prices of the coarse grains and, indirectly, the price of animal products. Even in 1925, Italy levied a tax on imported wheat and inaugurated a vast program known as the "wheat conflict." In Germany the general tariff on imported wheat is almost three times the price it sells on the London or Liverpool market. Great Britain adopted its "Wheat Act" in 1932 so as to give to her producers a sufficient market, at a profitable price. France, Belgium and all the countries of central and eastern Europe developed a vast system of customs tariffs, regulations in the charges for grinding, in the importation quotas, in licences to import or export. These competitive measures against imported products were everywhere accompanied by a program of protection and assistance to national agriculture.

Soon, not only wheat but all other products will come under the control of regulated economy. In England, the Agricultural Marketing Act provides for the organization of producers of certain farm products for the purpose of regulating prices on the market. In the United States a whole chain of legislation embodies all economic activities, "the Agricultural Adjustment Act, Emergency Farm Mortgage Act, Farm Credit Act, Emergency Banking Act, Unemployed Relief Act, National Industrial Recovery Act." The agricultural and industrial program of Roosevelt constitutes the most complete scheme put into practice heretofore. By creating The Natural Products Marketing Board the dominion government boldly takes the path leading to regulated economy.

In the Devoir's issue of April 17, Mr. Rioux adds:

The hon. L. A. Taschereau has just enacted a measure in the legislative assembly intituled "An Act to assist in putting into effect in this province any regulation helping the marketing of the natural products of Canada." The provincial government is therefore authorized to enforce by orders in council the act creating the Dominion Marketing Board. We wish to congratulate the Prime Minister for his diligence in cooperating with the dominion authorities; we hope that, in the administration of this act, the cooperation of Quebec and Ottawa will be perfect.

Mr. Speaker, I think Mr. Rioux was too hasty in congratulating the hon. Prime Minister of Quebec in having the Legislative Assembly adopt an act permitting the enforcement in the province of the Natural Products Marketing Act. If we are to judge from the interview published in "Le Canada" of this date, Mr. Taschereau desires to protest against two measures at present under consideration by the House of Commons. First, Mr. Taschereau referring to the Marketing bill, states:

Ottawa desires to take over the control of our forests, mines, fisheries and natural products.

An hon. MEMBER (Translation): Shame!

Mr. DORION (Translation): Evidently Mr. Taschereau has not read this bill because the Dominion government has no intention of encroaching on provincial rights as regards ownership of forests, water powers or mines, but simply wishes to legislate in connection with products of the forest, water powers and mines.

Mr. Taschereau after having referred to the new tax on gold, adds:

The danger is at our door.

Mr. Taschereau must have probably thought that he was another Mirabeau. Rising before the Assembly of the States General, in 1789, Mirabeau exclaimed: "We are discussing and the danger is at our door." Danger is perhaps at certain doors but not in the sense which Mr. Taschereau wishes to convey. The danger lies at the doors of certain large industrial corporations and trusts.

Mr. Taschereau has no need to fear we shall permit him to sacrifice, as he has done for ever so long, the natural resources of Quebec, to dispose of them at shameful prices and thus rob us.

I return to the article of Mr. Rioux, of April 17:

Mr. Taschereau expresses, however, the opinion that this measure encroaches on the rights, prerogatives and autonomy of Quebec. The Dominion Marketing Board will only regulate the forest, land and sea trade, it will not have the authority to sell or concede to foreigners at wretched prices, our forests, mines, water powers, lakes, rivers and all our natural resources. As in the past, such prerogatives will remain with the province. . . .

A number of newspapers have charged the dominion government with assuming an economic dictatorship.

They are unaware, no doubt, that this Marketing Board is requested by farmers' associations of all the provinces.

A few years ago, British Columbia at the request of those interested, organized a closed cooperative society of fruit growers. Within two years, this organization succeeded in giving a considerable impulse to the fruit production of that province.

When referred to the tribunals, the British Columbia legislation was declared ultra vires. Since then, fruit growers have been requesting a federal measure which would permit them to revive their compulsory cooperative association. They have found again that the minority of growers who do not join a free cooperative society spoil the good effects of such cooperation.

As the hon. Mr. Taschereau pointed out, the western provinces are favourable to such a proposal. But so are also the eastern farmers. At its annual congress of 1932, "l'Union Catholique des Cultivateurs" requested a federal commission to supervise the marketing of farm products, especially, to regulate the trade of dairy products. At the congress held in November last, our society again made the same request so as to organize the marketing of our important farm products.

In April, 1933, the representatives of the principal Canadian dairy associations met in Ottawa. They unanimously adopted quite an elaborate resolution requesting the Dominion Minister of Agriculture to create immediately a Farm Produce Marketing Board.

In November, 1933, delegates of the principal farming groups of all the provinces again met at Toronto. After three days of debate in the presence of Hon. Robert Weir, who was assisted by a number of experts from Ottawa and Toronto, together with the collaboration of representatives of British and Australian Cooperative societies, the congress passed a resolution requesting the Dominion Minister of Agriculture to prepare a measure based on the British Agricultural Act of 1931, so as to facilitate the marketing of farm products.

Instead of assuming an economic dictatorship, the dominion government simply acquiesce to the ever pressing and repeated solicitations of the farmers throughout the country. It is the first time that farmers have been able to obtain such a broad national agricultural policy.

Mr. Rioux who, I repeat, possesses a wide knowledge of farm problems of our province, speaking on behalf of "l'Union catholique des cultivateurs de la province de Quebec" approves of this bill, and I think he is quite right.

I think, sir, in order to dispel the crisis from which suffer certain national products —especially agricultural products—the duty of a government, conscious of its responsibilities towards the people, is to regulate these products, to assure their marketing, supervise the quantity and quality and even—if it becomes necessary in the interest of the people, as a whole—to establish a kind of monopoly by the state on some of these products.

One may designate this as regulated economy, however, whatever name is given to such a system, it is without doubt preferable to the chaos existing at present which is so detrimental both to producers and consumers.

May I quote, sir, what some author wrote on the causes of unemployment:

> The fault lies in the system of mass production, of rationalized and concentrated production, when unaccompanied by an endeavour to increase consumption and the purchasing power in all countries, where bankruptcy exists. Unrestricted and uncontrolled competition, unlimited production, out of proportion with consumption, are neither desired nor possible.

All those who feel uneasy about the duration of the present depression, admit it: the present crisis is a natural sequel of the disorderly state in which is to be found the distribution of wealth in connection with its production. That is the primary cause of the financial, monetary and social troubles from which we suffer.

The present bill under consideration is of a nature to remedy this disorder. No doubt, as the hon. Minister of Agriculture stated, it is subject to improvement; however, such as it is, sufficient benefit can be derived from it to warrant our support.

It is futile to imagine that the future will be like the past. We are passing through a period of economic evolution. No doubt schemes like this one are totally contrary to our preconceived ideas; however, the necessity for a new economic organization is clearly seen by those who are willing for a moment, to observe the changes taking place these days throughout the world. Ever since the Christian era, many economic systems have been tried out, each adapting itself to the circumstances and conditions of the times and locality. Providing that at the basis of all economic systems, we always adhere to the great fundamental Christian principles, nothing should prevent us from seeking improvement and even perfection.

All legislation which affords us the means of controlling production in quantity as well as in quality, allows us to regulate such production according to consumption, insures the distribution under the best conditions possible —both in the interest of producers and consumers—deserves the approval of well thinking citizens.

Such is the aim of the present bill. That is also why, I deem it my duty to give it my support.

Mr. MICHAEL LUCHKOVICH (Vegreville): Mr. Speaker, in view of the fact that the statement was made by the leader of the opposition (Mr. Mackenzie King) and other members to your left that the legislation now before us is somewhat socialistic I think it might be in order for me to address you as Comrade Speaker rather than as Mr. Speaker. It looks now as if the vested interests have transferred their affections to the members to the left of the Speaker and that the members to the left of the Speaker have transferred their affections to the vested interests.

I am very thankful to the hon. member for Melville (Mr. Motherwell) for the only really constructive speech on this legislation that has come from hon. gentlemen to my

right in this debate. Indeed he has gone so far that I am inclined to believe that he has knocked the wind out of the sails of the constitutionalists who sit with him, and I am now wondering what the poor old Liberal boat will do now that it has been cast upon that stormy sea in which it is now wallowing. I am also wondering what the boy on the burning deck from Weyburn will do in this regard.

I shall state at the outset, Mr. Speaker, that if liberty was being abused I should fight like blazes to defend it, but I certainly refuse to be led on another false scent by this old smelly red herring that has so often been thrown across the path not only of hon. members of this house but of the public generally. As I have already said, I am thankful for the statement made by the hon. member for Melville in regard to this legislation. What he said was that there were certain sections of the bill that he did not like, but more sections that he did like. In other words, he felt like Brutus, not that he loved Caesar less but Rome more. Similarly it is not that the former Minister of Agriculture loves the arguments advanced by his party less, but he loves the legislation that we have before us more.

I think we had a parallel case in regard to the amendment moved by the leader of the opposition not so very long ago when there was moved from this corner an amendment to the Bank of Canada bill. I noticed that at that time the opposition voted against the amendment moved by us. What is sauce for the goose is sauce for the gander, and both the amendment that was moved on that occasion and the amendment now before us dealt with the provisions of the bills that were and are before the house.

I am sorry I was not able to follow the hon. member who has just sat down (Mr. Dorion) as I do not understand his language. I am glad that the hon. member for Humboldt (Mr. Totzke) did not, like some of his friends, use again that outworn argument on liberty and constitutionalism.

We in this part of the house, Mr. Speaker have been criticized because we believe in the idea of a planned economy, but I notice that the Hon. Vincent Massey in a statement which he made the other day said:

> The primary conflict is not therefore isolation versus internationalism, but planning versus improvisation, and in this trouble planning will I believe be victorious.

I suppose after making a statement like that Mr. Massey, if the leader of the opposition ever gets into power, will not again be appointed minister plenipotentiary to Washington.

Stuart Chase has had this to say in regard to liberty in his book, What is an Economic System For?—

> The whole history of legislation refutes the abstract argument on liberty in so far as each law does curtail liberty.

I understand that during the regime of the leader of the opposition many bills were passed containing similar provisions and providing for similar penalties, and yet the members of the opposition who now so vociferously criticize this legislation did not criticize the curtailment of liberty in that legislation which they helped to pass during the Liberal regime. I think all this talk about liberty in connection with this bill is nothing less than a travesty on justice and a burlesque on liberty.

The principle of the marketing bill now before us is, broadly speaking, that there shall be a body between the primary producer and the ultimate consumer to facilitate a better and more economic distribution of natural products to the consumer, or, in the language of the bill itself, this is an act "to improve the methods and practices involved in the marketing of natural products in Canada and in export trade."

Since my constituency want to know how I stand on this matter I shall have to put myself on record. This is a bill which the farmers of the west have been fighting for during the past decade, and if its opponents think otherwise they have another thought coming to them. I am quite satisfied that the agriculturists of my part of the province of Alberta at least are wholly in accord with the principle which I have just enunciated.

I strongly deprecate, however, the stand taken by the hon. member for Melville when he advanced arguments to show that this bill was aimed at the consumer. Never in the history of Canada have the consumers been getting away with such shameful and disgracefully low prices for farm products. Do hon. members who advance this argument expect that the farmers of Canada are going to produce indefinitely at below the cost of production in order to benefit the consumers? Do they expect that the primary producers will be willing to remain in eternal bankruptcy in order that the consumers may obtain their produce at next to nothing? I can see neither rhyme nor reason in the contention that the consumer is being discriminated against by the provisions of this bill when not so long ago eggs were selling at four dozen for twenty-five cents, turkeys at seventy cents each and grains below the cost of production. The consumer has had his innings, and I think it is about time the farmer should be allowed to come to

bat and secure a few runs. As has been said by the hon. member for Humboldt, farming is still the most important wealth producing industry in Canada. I agree with that statement. I believe that any improvement in that industry will mean improvement all along the line, so why should we oppose the principle of this bill? The prosperity of the farmer is the prosperity of everyone; help him and you will be helping the other fellow. Why is Roosevelt so anxious to drive up the price of the primary commodities if it is not in order to help put the farmer on his feet? Once the farmer is put on his feet the people engaged in other industries will also be aided.

In my opinion the fall in the price of wheat to fifty per cent of the 1929 figure was the greatest blow ever struck at the industrial life of this country and of the world. In the last analysis, the prosperity of industry depends upon the prosperity of the farm. The manufacturers of this and other countries have been watching carefully this rise in commodity prices. They have also been watching their own export figures. I think the events of the last five years have brought out one great truth, that so long as seventy out of every one hundred people in this country are too poor to buy there can be no recovery for the industrial east. The catastrophic fall in the price of everything the farmer produces slowed down the wheels of industry in Canada more than any other single factor. The consumer may gloat over this fall in the prices of wheat and other commodities to a record low level, but I believe that that decline has proved to be a very doubtful blessing. While the cost of living has fallen somewhat, the full extent of the decline in wholesale prices has not been reflected in retail prices. There was a virtual removal of the farming communities from the list of prospective buyers and this completely upset the balance of trade in this country under which the farming communities purchased the products of the factories while the factories purchased the products of the farms. The balance between country and town has been put completely out of gear. The price which the farmer gets for his products and the price which he has to pay for the goods and services he requires are out of all proportion. This is why I am not in sympathy with the whining of the consumers under circumstances which allow them to cash in on the miserable plight of the farmer. Under the caption, The Farmer and His Income, the Weekly Sun of Toronto puts the whole thing in a nutshell when it says:

There is food for considerable thought in facts concerning the decline in the farmers' income presented by Business Trend, a publication devoted to the study of Canadian economics, and its relationship to the period of business depression with which the country is now struggling. The Brockville Recorder, discussing the question editorially, points out that it has all along contended that until higher prices are available for farm produce, particularly wheat, there can be little prospect of a steady and permanent revival of Canadian business, whatever the artificial means which are taken to furnish employment and to keep money in circulation. It has also contended that the reduced prices which the farmer has been obliged to accept for his products, while paying almost as much for his manufactured requirements, form a situation that demands correction before business in general can return to its former state of prosperity.

And now comes forward Business Trend with the suggestion that it was this discrepancy between the prices for farm produce and for manufactured produce that really precipitated the period of depression and that made it inevitable.

Then follows a comparison of prices which I shall not read. The article continues:

A lower commodity price level strikes those who have definite fixed charges to meet. Interest on farm mortgages did not decline—neither did taxes. The only way the farmer could meet the situation was by lowering his standard of living—cutting down his purchases—buying less. That is why business is dull—the farmer lacks the purchasing power.

Assembling these facts, it says:

1. Business cannot return to normal until the price of farm products goes up or the price of manufactured goods comes down.

2. The spread between manufactured goods and farm products and field grains must be narrowed. The lines must coalesce—they now diverge. The tendency to diverge still continues.

3. Anything which tends to bring these closer, helps to restore better times—opposing forces deepen the depression.

4. The farmers of Canada as a whole have had already to accept heavier losses than the manufacturers of the country. They are still taking losses even heavier than they were a year ago, while the prices of manufactured articles have not declined in nearly the same proportion.

And again:

Agriculture is the great basic industry of Canada. Others may possess importance, but none reaches the same standing or affects so many people. It has always been the case that when agriculture suffers depression, manufacturing is similarly depressed. If those responsible for the direction of national affairs would bring back the prosperity of recent years, their first business, the Recorder concludes, should be to see that farmers are able to command better prices for their products and that their purchasing power is thereby increased. Until this is done, business will continue in a more or less depressed state, no matter how high tariff walls are raised or how many millions of dollars are distributed in unemployment relief.

When I listen to the arguments advanced by various speakers in opposition to this bill, I cannot help but think of the strange world in which we are living. If my analysis is not wrong, it appears to me that the Liberal party at present is becoming the Conservative party in Canada and the Conservative party is becoming the Progressive party while the group in this corner is still at its old duty of prodding both parties on to some action such as has been described in the bill now before us.

I never realized the Doctor Jekyll and Mr. Hyde duality of character of the leader of the opposition until he made his two-hour speech the other day. He has suddenly become more conservative than the Conservatives themselves. I never before heard a speech so full of anomalies, idiosyncrasies and inconsistencies. A Liberal was once asked why he did not join one of the more radical groups and he replied, "Well, I suppose it is because I am too conservative to change." That just about sizes up the situation so far as that two hour speech is concerned. I think the leader of the opposition is too conservative to do anything toward bringing about a radical change in this country to help meet the emergency with which our farmers are faced. We must let things take their course, say hon. members to the right of me, and not interfere with the established order of things in Canada. Well, shades of Gladstone and Laurier! I have often wondered what the Liberal party in Canada were coming to after making statements of that kind. It appears that the cream of liberalism in this country has turned sour on us again. It seems that they have lost their morale, their effectiveness and their usefulness because during this debate not a single constructive suggestion, with the exception of the speech of the hon. member for Melville, has emanated from that side of the house in regard to the legislation now before us. All they do is to look backward, and I verily am afraid that the Liberal party will be called the backward party or retrospective party or retroactive party rather than the great Liberal party of reform. Let us conserve the past, is now their slogan. It has been said that a rolling stone gathers no moss, but who wants to be covered with moss unless it is the Liberal party to the right of me? Recently they have been so covered with this fungus growth that they cannot see daylight ahead of them any more. It is no wonder they are beginning to atrophy. Since they can no longer look forward, they must needs look backward. Indeed, I am afraid that their faces may have a tendency to grow on the back of their heads. It seems that every time they take a step forward they always take two steps backward, and that is exactly what they are doing in their opposition to this bill in view of the fact that the farmers in Alberta are almost to a man, supporting this measure. Who cares what happened one hundred or one thousand years ago? I fail to see how that is going to buy the baby any clothes or to get the farmers out of the present depression or to help to raise commodity prices in this country. What have conditions of yesterday to do with conditions of to-day in Canada? It seems to me that the Liberal party are like the old lady who still persists in wearing a rat in her hair. That may have been all right fifty years ago but to-day the thing is simply not being done. It is very dangerous to look backward. Physically, it results in stiff necks and crossed eyes and usually ends in spiritual atrophy. It is a dangerous thing for a party as well as for an individual to look backward too much, because if one were to examine the old family tree and go back a little too far, sooner or later one will run across some horse-thieving relative or some other similarly undesirable forefather. It is equally unwise for any party to go too far back into history. They should leave well enough alone so far as looking backward is concerned.

But it seems to me that the new Conservative party in Canada are like the Bourbon kings: they forget nothing and remember nothing. Since they have set the pace, may I point out that four hundred years ago the Liberal party was known as the Whig party which, in a Scotch vernacular, meant "corrupt, sour whey" or else "sour cheese." I understand that at Ingersoll the other day the leader of the opposition, after delivering a speech to the people there, was donated a large block of cheese. I do not know whether that was in admiration of his ability, but in view of the two hour speech which he made in an academic dissertation on liberty I am inclined to believe this block of cheese is symbolic of the disintegration of former Liberal policy, or, in other words, it is good milk that has gone bad. I cannot agree at all with the defeatist Liberal attitude on this question. What they to all intents and purposes mean is that nothing can be done and therefore nothing should be done. I do not think that is a cure for depression. If they think it is, then old man sunshine certainly has nothing on them for optimism.

It seems to me that all this talk on liberty and constitutionalism is out of date, and it certainly has nothing to do with the provisions of the bill or with the marketing of primary products in Canada. The debate has

been turned into a kind of farce by the innumerable and irrelevant references to this idea of liberty. The idea of liberty has always been represented as a pure, simple, lovely and excellent young maiden, but after the way in which the hon. member for Weyburn (Mr. Young) misapplied her ideal, I am afraid she will not talk to him any more. I am surprised that a man of his age could be so flippant and flirtatious in regard to matters of this kind. I certainly believe the manner in which she was embraced by the hon. member for Vancouver Centre (Mr. Mackenzie) will certainly not enhance the chances of permanent wedlock that he might have had, had he adopted some other attitude towards the idea of liberty in this lovely damsel. As for the method employed by the leader of the opposition of virtually dragging this fair maiden by her long tresses into this discussion will forevermore condemn him to a life of celibacy and all the other idiosyncrasies that go with bachelorhood. Of course I can visualize him as saying: Give me liberty or give me death, whether that statement applies to marital, economic or political problems. But it certainly does not destroy my contention that this fine virtue, liberty, has been wrongly construed as applied to the discussion on this particular bill. It is not political but rather economic liberty that is at stake at this time. In this age of great industrial development we have evolved an industrial system in which there is no liberty, in which the producer has to take the price that is offered him on the basis of laissez-faire, the policy of rugged individualism that the Liberals have upheld for the past one hundred years, but which now seems to be out-dated and obsolete. We have attained political freedom; what we want now is economic freedom. The trouble with many people is that they have one-track minds. They have been in the rut so long and have worn it so deep that they are not able to look over the edges and see what is going on in the world about them. When one realizes that under this rugged individualism cattle are being burned in the Argentine, oranges thrown into the ocean, and other food products being wilfully destroyed, one certainly concludes that the economy which permits such insanity cannot be very much planned.

The world's markets at the present time are being shot to pieces. Purchasing power in the world generally as well as in Canada has been reduced to almost nothing. In answer to all this what do we get from the hon. member for Weyburn and other hon. members to my right? Nothing but cries of, "Negotiate; why don't you negotiate?" When we analyze this feature thoroughly we find that the chief protagonists of negotiation have been largely responsible for negotiating this country out of business. For lack of time to develop this point further I shall just submit comparative figures for one staple product, wheat. Thereby hangs a tale. But before I come to that let me say that the hon. member for Weyburn, being a Scotchman, doubtless sings often the old ditty:

> My bonnie lies over the ocean,
> My bonnie lies over the sea;
> My bonnie lies over the ocean,
> O bring back my bonnie to me!

"My bonnie" may be taken to refer to international trade. So one can visualize the hon. member singing of it in the following paraphrase:

> I'll bring it back through negotiation,
> I'll bring it back with a treaty or two;
> With tariffs and free trade devotion,
> I'll bring good times back unto you.

If it were not unparliamentary I would ask all hon. members to join in the chorus.

Here are some significant figures as to the rates of duty charged on wheat by various countries:

	Lowest rate	Highest rate	
Germany	Free in 1922	$0 98 in 1930	
France	$0 11 in 1924	0 85 in 1930	
Italy	Free in 1921	0 73½ in 1929	
Czechoslovakia	Free in 1921	1 36 in 1933	(per cwt.)
Japan	0 18 in 1921	0 34 in 1930	
Mexico	0 60 in 1923	1 05 in 1930	

Mr. YOUNG: Will my hon. friend tell us what were our exports of wheat in 1929 and each year since?

Mr. LUCHKOVICH: Our exports of wheat in 1927, 1928 and 1929 were very large. But that is aside from the point. The point is that you have charged the government with failure to negotiate, but what about negotiation during the time these conditions came into being? My point is that these markets were lost to us between the years 1921 and 1930 when the duty on wheat was raised as indicated by the above figures.

Mr. YOUNG: If my hon. friend would give the figures that I have asked for we would be able to check him up.

Mr. LUCHKOVICH: I would give them if I had them here but I have not got them. If my hon. friend wants to know he had better look them up for himself.

Mr. GOTT: You are clever in arguing from figures you have in your head.

Mr. LUCHKOVICH: These figures show that the duties against our wheat have been slowly rising ever since 1922. Who was in power then, and who lost this trade? Certainly not the C.C.F., certainly not the Labour party, certainly not the United Farmers. It was lost by these mighty negotiators.

Mr. YOUNG: Hear the new allies of the Tory party!

Mr. LUCHKOVICH: The great defenders of liberty in this country were the ones who lost this trade for us. Yet they keep on crying. "Why don't you negotiate?"—completely forgetting what a sad lot of negotiators they turned out to be when they were in power. If negotiation is the criterion by which the Liberals are to be measured, how would they explain the enactment of the Fordney-McCumber tariff in 1922, which killed our cattle trade? They did not do much by negotiation there. What excuse have they for the Hawley-Smoot tariff of 1929? That certainly did not do us any good. In view of these facts I should think they would be the last to mention negotiation.

I should like also to refer to the "brick for brick" tariff policy that was considered so great a virtue in the time of the Dunning budget, but so terrible a sin under the Right Hon. Mr. Meighen; but I do not wish to rub it in too much. I think I do Mr. Dunning an injustice by not enumerating some of the great benefits that accrued to Canada when the Liberals in 1930 put hay, straw, oats, wheat and cut flowers on the free list of imports. Of course Canada has not enough of these things, but must bring them in from foreign countries! It is only right to give the credit for so profound a discovery to the Liberal statisticians of the day. It was when the farmers of this country began to see the ridiculous futility of such a free list that the party had to look into their bag of tricks for some other scheme to fool the public. Their latest device has been to make goo-goo eyes at Miss Liberty and try to win her over to their way of thinking. But by their crude ways and lack of good behaviour and proper etiquette they have estranged her affections. I heard the hon. member for Lisgar (Mr. Brown) heave a couple of sighs and saw him cast a few flirtatious winks in her direction. I saw the hon. member for North Battleford (Mr. McIntosh) also throwing kisses by the handful, the hon. member for Vancouver Centre (Mr. Mackenzie) give a long series of "yoo-hoo's," the hon. member for Weyburn plead on bended knee, the leader of the opposition whisper a lot of sweet nothings in her ear, but generally speaking the amorous technique of the Liberal would-be Romeos made no impression whatsoever upon her; for while any of these so-called liberty lovers might be able to supply the veil, the ring, the trousseau and all the other paraphernalia incidental to a wedding, with the hon. member for Lisgar hanging around to tie the knot, I verily believe that honest Bob Gardiner could step right up to the very altar like Lochinvar of old and snatch away the unwilling bride from the whole lot of them. One can almost imagine Bob saying: I cannot offer you castles in the air, like the leader of the opposition, or sugar-coated hokum like the member for Vancouver Centre, or the luxuries of free trade like the hon. member for Weyburn, or the paradise of good old Liberalism like the member for North Battleford—

Mr. YOUNG: Why don't you speak for yourself, John?

Mr. LUCHKOVICH: I am not offering her anything at all, because I did not make love to her like you fellows did—Bob Gardiner saying: "All I can give you is true love and an honest average living," and Miss Liberty saying: "I understand, Bobby darling, but that is more than I expect from those fellows over there."

Now all that this bill purports to do is to facilitate marketing, and in my opinion it in no way infringes upon the liberties of the individual; rather, it aims at the lightening of the burden thrown upon the producers of this country in consequence of abnormal marketing conditions. Why, therefore, should we theorize and elaborate on abstract problems of liberty? Why should we warp facts to fit them into preconceived ideas of freedom? This marketing problem is an actual condition in Canada and it must be met by direct action and not by long quotations about liberty from men whom the worms have eaten a hundred or a thousand years now. To defeat this bill, it seems to me that the Liberals must even resurrect the dead instead of allowing them to lie in peace—or in pieces as one hon. member behind me suggests.

Once again we have had this weird ghost of constitutionalism taken out of its musty and mouldy casket in the dark and damp parliamentary dungeon from amongst the

cobwebs, worms, lizards and other crawling creatures existent down there; and once again we have this fleshless and ghoulish skeleton trotted out on the floor to haunt hon. members and destroy their peace of mind. Once again we have this soulless, fleshless, meaningless old bugbear flaunted by the leader of the opposition to scare the wits out of the spinsters and bachelors and sisters and brothers and fathers and mothers and cousins and uncles and aunts and grandmas and grandads to show them how devilish and damnable is the legislation which we have now before us.

Mr. ECCLES J. GOTT (South Essex): I rise to occupy the time of the house for only a few minutes, and I doubt whether I would have taken part in this debate had it not been for the remarks of the hon. member who has just taken his seat (Mr. Luchkovich) relevant to the exportation of cattle from Canada to the United States. Having the figures before me, I wonder whether he realizes the importance of that trade.

I had some questions on the order paper a few days ago in which I sought to ascertain the trade between Canada and the United States in cattle alone for the past few years, and I learned from the report that came to hand the other day that in 1928 Canada exported to the United States 200,013 head of cattle. After the application of the Fordney-McCumber tariff and the Hawley-Smoot tariff in 1930, before the Liberal party went out of power, Canada exported 1,976 head of cattle. I quote these figures merely to direct to the attention of the house the importance of the cattle trade. The result has been, not only in cattle but in all classes of trade, that the United States has practically refused to deal with us.

I rise to support this bill, having been solicited by a number of my constituents, because I represent the most diversified farming section in the whole dominion, and this bill stands to benefit every solitary person I have the honour to represent. That is why I am supporting this measure, Bill No. 51, An Act to improve the methods and practices of marketing of natural products in Canada and in export trade, and to make further provision in connection therewith.

I desire to place on record a letter which I received from the South Essex growers under date April 12. The gentleman who writes me this letter calls me Ecc, and although he aspired to the Liberal nomination in the riding some time ago he writes as follows:

I have your letter of April 10 re marketing act and certainly am pleased that you are familiar with the act and are supporting it.

[Mr. Luchkovich.]

The Canadian Horticultural Council, of which I am vegetable representative for the province of Ontario, have been fighting for an act of this kind for a couple of years. Now that the act has actually been drafted and had its first hearing we hope nothing will prevent it being passed by the house.

At a largely attended meeting of the fruit and vegetable interests of the province held in the parliament buildings in Toronto on April 3 the feeling was unanimous that this bill should fill all our requirements in regard to sane control of marketing our agricultural products.

The only opposition, so far as we are aware, is from the chambers of commerce in the larger cities who are, apparently, opposing the measure, acting in the inteersts of possibly their wholesale and jobbing interests who feel that their control of setting farm prices will pass to the farmer.

And why should it not pass to the farmer? Why not? The farmer has been the under dog in this country for years; why therefore should he not have control over his products? The letter concludes:

We would ask you to contact our members and ask them to support this measure. I tried to get in touch with you during the Easter holidays but was unable to do so. Your support to this measure would be greatly appreciated by the South Essex Growers and also all others in the industry who are aware of the real purposes of the act.

Thanking you for your support, I am,

Yours sincerely,

Ed. Atkin.

There have been utterances in this house to the effect that this measure is radical, but it is not to be compared with the assertions of the hon. member for West Middlesex (Mr. Elliott) when he spoke in Windsor last year. On that occasion the hon. gentleman was heralded as the coming leader of the Liberal party, the coming Prime Minister of Canada, and a gigantic picnic was advertised for weeks and weeks. When he went to deliver his speech, however, less than one hundred people were in the audience, but owing to the fact that he had his speech all prepared for delivery, and had already handed it to the press, he had to deliver it. The Border Cities Star the next day appeared with the following:

Sees Canada Under N.R.A.
Liberals Will Devise Similar Plans if Given Power
J. C. Elliott's Pledge
Ex-Minister Assails Tory Spending With No Results Gained

Canada will have its N.R.A. campaign of higher wages, shorter hours and planned production if the Liberals are returned to power, Hon. J. C. Elliott, who was minister of public works in the King government, promised a Grit picnic late Saturday afternoon in Baby Park.

"What Liberalism is doing on the other side of the line, I believe it will do if given that chance as soon as the people of Canada have an opportunity of voting."

This pledge was dropped into a section of the former minister's prepared speech to some three hundred persons who attended the rally of Ward One Liberals.

It was supplemented by warm and detailed praise of the Roosevelt program by Mr. Elliott, who stated: "Mr. Roosevelt has accomplished more in the last three months in the way of carrying out his pledges to end unemployment than Mr. Bennett has done in the last three years."

If ever there was a radical statement, an expression without thought, I submit that the speech delivered by the hon. member for West Middlesex in Windsor was such. Now I want to show you some of the things that have been done as indicated by the report of the United States emergency hog marketing program, the objective of which was to take off the market 6,200,000 pigs.

A scale of bonuses on desirable weights and grades is paid by federal government. The pigs are sold on the markets and the bonus (if payable) is over and above the market price which applies.

It was desired to draw out 20 per cent of the objective in the form of sows (to lessen pig population next year).

Up to October 16, 1933, they had slaughtered six million, and paid out in hog beenfits thirty million dollars and secured only a comparatively small proportion of sows.

I ask hon. members to compare the price of hogs in the United States to-day with the price in Canada, and see if this experiment, this expensive experiment, which has taken place in the United States has been beneficial to the farmers of that country.

The hon. member for Temiscouata (Mr. Pouliot), speaking some time ago—and I regret he is not in his seat; in fact he has not been in his seat very much of late—made reference to some passes which were issued to hon. members of this house. Although this inference may be a little bit aside from the subject under discussion I want to tell the house the number of passes which have been issued, and thereby definitely establish that hon. members do not abuse the privileges given them.

Some hon. MEMBERS: Order.

Mr. GOTT: All right. I will dispense with that. But I do wish to say that out of a total of 744,480 there were only 11,078 passes issued, to members of the House of Commons, which is a substantiation of my statement that hon. members do not abuse railway privileges.

Under this bill the hon. member for Kenora-Rainy River (Mr. Heenan) could probably be controlled very well. For instance, he has been waving a one cent cheque throughout the province of Ontario during the last few weeks. And the hon. member for North Wellington (Mr. Blair), who has just come into the chamber, has been talking about a one cent cheque. He had ten subjects which he discussed in the South Oxford campaign. This one cent cheque has been photographed and presented to the people of the province of Ontario. I say to the hon. member for Kenora-Rainy River that if these are the tactics he intends to use in the coming provincial election in Ontario he will not get ten feet down the first base line. I would ask the people of the province of Ontario to compare the one cent cheque he is waving throughout the province with the cheques he drew in 1930. In the month of March of that year he drew $620 sessional indemnity, $700 for expenses, and as Minister of Labour he drew $1,200, making a total of over $2,500 for that one month in 1930. I ask hon. members of this house, and especially the hon. member for Kenora-Rainy River, to photograph those cheques, and put them beside the one cent cheque he is now showing the people of Ontario.

I have before me a letter from the Ontario Swine Producers' Association. Under date of April 20, it is as follows:

Dear Sir:

I have much pleasure in enclosing a copy of a resolution passed unanimously at a meeting of the executive of the Ontario Swine Producers' Association.

In submitting this request to you we have every assurance that the bill, when passed, will provide producers of primary products with the necessary ways and means of not only establishing confidence in their own business, but also of guaranteeing to the primary producer his fair share of the consumer's dollar.

Trusting that you will lend your support in effecting the passage of this bill, I am

Yours very truly,
W. P. Watson,
Secretary.

This is signed by several of the solid citizens of the good old county of Oxford. The copy of the resolution passed by the executive of the Ontario Swine Producers' Association in support of Bill No. 51, the Natural Products Marketing Act, is as follows:

Whereas it is generally recognized that the prosperity of any country is directly dependent on the state of prosperity of its producers of primary products;

And whereas the prosperity of its producers is governed to a large extent by the system followed in the marketing of these products;

And whereas a proper and efficient system of marketing includes such important factors as grading, the control of quality, the regulation of supply and the spread between producer and consumer;

And whereas all of these factors have been taken into consideration in the drafting of the Natural Products Marketing Act;

Therefore we the executive of the Ontario Swine Producers' Association go on record as

favouring the said bill in the form in which it was drafted for first reading March 26, 1934, and respectfully request your support and cooperation to bring about the successful passage of the bill.

This resolution is signed by some of the best citizens of the county of Norfolk. There was a by-election in that county only recently which was stampeded on the last day by the Liberal party. I do not take the result of that election as an indication that there is any public sentiment against the party now in power. I say that the party in power in Ottawa to-day has saved the Dominion of Canada from financial destruction, and thank heaven we have a Prime Minister who has backbone enough to put into effect policies which have been helpful to every Canadian citizen.

Mr. McINTOSH: Heaven had not anything to do with it.

Mr. GOTT: Speak out, and I shall try to answer you. The Conservative party to-day has as many seats as it had immediately following the election of 1930. After all the hullabaloo following the by-elections, the Liberal party has identically the number of seats in this house to-day as it had following the general election in 1930. And if to-morrow there were an election in Canada the present government would sweep the country from coast to coast. That is my prophecy. Where is the right hon. leader of the opposition going to run in the next election? Will someone answer that?

Mr. McINTOSH: Prince Albert, of course.

Mr. TOTZKE: Prince Albert.

Mr. GOTT: Well, he has to go a long way from home to find a seat, I must say. There was some talk of his running in South Essex—

Mr. SPEAKER: I suggest that the hon. member ought to confine himself more strictly to the subject in hand.

Mr. CASGRAIN: All these matters are irrelevant to the matter under discussion.

Mr. GOTT: This resolution is signed by B. B. Warnica, A. J. Bradshaw, F. M. Chapman, Walter Galbraith, John H. Reid and D. D. Gagner, all resident in Simcoe and Perth counties. These men are good solid citizens, and no one would suggest that they are radicals. They have been good enough to express their views, and I regret that I am held down to a discussion on the second reading, because there are many comments which I should like to make but will reserve until I occupy a few minutes of the time of the house in the debate on the budget.

Mr. W. G. WEIR (Macdonald): Mr. Speaker, I hope the two hon. members who have preceded me will not expect me to follow them in the remarks they have made. With all due deference to them I submit that they strayed pretty far from the measure under consideration. I can scarcely see how they could connect their remarks with the bill now under consideration. I had hoped the hon. member for Vegreville (Mr. Luchkovich) would make an explanation of the bill or at least some comments on it instead of taking up the time of the house in a tirade against some hon. members on this side of the house. The hon. member's time would have been better spent had he devoted his time to a discussion of the bill. If the effort he exerted in his contribution this evening was the same effort he exerted in the constituency of Mackenzie last fall I think hon. members may judge the degree of consideration the people in that constituency gave to his remarks.

The measure before the house is one of the most important to be introduced this session. It is called "An act to improve the methods and practices involved in the marketing of natural products in Canada and in export trade, and to make further provision in connection therewith." I believe hon. members could express considerable sympathy with the title of the bill, if taken alone. It is indeed unfortunate that the details of the bill do not warrant that same favourable consideration. I listened with a great deal of interest when some days ago the Minister of Agriculture (Mr. Weir) introduced the bill. I was particularly disappointed when on that occasion he did not avail himself of the opportunity to advise this house just how the various provisions of the measure would be carried out. He did make a very good speech, and I should like to congratulate him upon it. Undoubtedly he made a comprehensive survey of agricultural conditions and conditions surrounding the marketing of agricultural products. He indicated clearly that he had an appreciation of those conditions, but he failed to indicate to the house wherein the provisions of the measure would in any way assist the marketing of the agricultural products to which he referred.

If I recall correctly, the minister instanced in particular two products as being seriously handicapped in the marketing. He mentioned a veal calf on its journey to market, and spoke of the calf being removed from its dam

and then spending several days on the road to market before its lamentations were finally silenced. That is all too true, Mr. Speaker, and it is one of the difficulties which we are up against, but the minister did not in any way show how this measure would remedy that particular difficulty.

His other reference was to the marketing of large numbers of poorly finished cattle at certain periods of the year, the marketing of these cattle in turn having a very depressing effect on the market for better finished cattle. That again is only too true, and the minister being a practical farmer knows the difficulties full well in that regard. He knows that one of the main difficulties in having cattle of that type shipped to our markets in a particular season of the year is due to a shortage of feed on the part of the owners of the stock. He knows that in many instances these cattle have to be shipped out and marketed, particularly in the last few years, in order to keep them from starving to death, and that their owners would be willing to keep them and finish them properly if they could only get the money to buy the feed to keep them. That is the situation, and the minister knows it just as well as anyone else in this house. But here again he failed to indicate how this measure would in any way assist in remedying that situation.

The minister might have instanced several other conditions of a similar character—the difficulties, for instance, in the marketing of hogs over long distances. All these things are vital matters which we hope will be remedied by some means in connection with the marketing of primary agricultural products.

The measure which is now before us has been generally understood to be a measure to assist our cooperative organizations. By that I mean it has been the general understanding that it was designed to give assistance to cooperative organizations. Like the minister and, I believe, most members of this house I am very much in sympathy with cooperative organizations, and I am prepared at all times to do all I can to assist them in the valuable work they are carrying on. These organizations have made an immense contribution towards an understanding of the difficulties surrounding the marketing of the different products in which they are interested, and with respect to the matters to which the minister referred in his remarks. Particularly has this been so with respect to the grading and standardization of agricultural products. I am sure the minister will agree with me in that regard.

Like the minister I have also been associated with most of the cooperative organizations in my province in one way or another, and that being so one naturally must have a great deal of sympathy with anything affecting their welfare. I cannot, however, see how our cooperative organizations as a whole can look with complete favour on this measure. I am just afraid that it may do them more harm than good. Apart from the efficient marketing of the products which these cooperative organizations are immediately interested in, two things stand out as objectives in the minds of most people interested in cooperative marketing. One is the democratic control of their particular organization, and the second the development of their own leadership in their own organization. If we pass this measure as it is at present, we are going to regulate these organizations in such a manner, I am afraid, that we are going to destroy their incentive and initiative, with a consequent lessening of interest on the part of its members to the detriment of our cooperative associations. I am afraid that under this legislation the officers of these organizations will become mere office boys of some agricultural marketing board that is going to be set up, and I must say that I do not think our cooperative organizations are prepared to make that sacrifice.

Let me say right at the beginning that I am in favour of legislation to assist our cooperative organizations and cooperative marketing. If a substantial majority of producers who bind themselves together to control and market their own products find their efforts frustrated by a small minority which stands outside the organization in the hope of receiving some immediate advantage for themselves, and such an organization properly representative of the interested producers asks this parliament for assistance in meeting that particular condition, I think parliament has a right to consider favourably such action. But with respect to what this government might do by way of remedy, I for my part must reserve to myself the right to support or reject that course of action as an individual belonging to one of these organizations back in my own province. My point is simply this: I do not think it is fair that a small minority of producers, in order to secure some immediate advantage for themselves should be allowed to remain in a position where they can frustrate the efforts of or damage or ruin an organization which is attempting to do something which may be looked upon, generally speaking, as for the benefit of all of them. I do say that such assistance as is granted should be by way

of act of parliament, and not by some set of regulations set up by some board which is given autocratic control.

Before referring to the bill itself or any of its details, may I say that there is sitting at the present time a special committee of this house which has been set up at great expense to investigate in my judgment matters particularly pertaining to the proposals contained in this bill. This committee has already spent a good deal of time and brought several witnesses from long distances for the purpose of inquiring into questions pertaining to the very matters which the minister mentioned when he introduced this bill some time ago. What I cannot understand is why this measure should be introduced at this time, and further why it should be proceeded with while that committee is still sitting and attempting to gather evidence which in my opinion this house should have before it considers this legislation. Surely that committee is going to accomplish something. Surely after all the work that it has done, and after all the efforts that have been made by members of this house sitting upon that committee, we can expect some recommendations from it, and why should we not have the advantage of having those recommendations before us before this measure is proceeded with? Suppose we pass this bill and then later find that the committee investigating price spreads and marketing has brought in a report to the house which may not be in line with the legislation we are now being asked to pass; what are we going to do? It seems to me that we have gone about it in the wrong way. We should have had available the information secured by the committee investigating price spreads and mass buying.

I should like to refer to some of the features of the bill in more or less detail. As the title states, the bill is:

> An act to improve the methods and practices involved in the marketing of natural products in Canada and in export trade, and to make further provision in connection therewith.

That is the title of the bill. Subsection (e) of section 2 gives the definition of natural product as follows:

> "Natural product" means any product of agriculture or of the forest, sea lake or river and any article of food or drink wholly or partly manufactured or derived from any such product;

From that definition it is abundantly clear that this measure goes far beyond the mere dealing with agricultural products. Broadly speaking, its effect is to take in all the natural products of this country except those belonging to the mineral kingdom. I think everyone will agree that this is an added reason why the bill should be studied all the more carefully. If we pass this measure as it is we will be taking an important and far-reaching step. In section 3 we have the reference to a dominion marketing board, and subsection (1) reads:

> The governor in council may establish a board to be known as the dominion marketing board to regulate the marketing of natural products as hereinafter provided.

The section then goes on to state that that board shall consist of so many people, and it gives the set-up of the board. I do not desire to refer to the board at any greater length, but I think it is significant that the bill contains no requirement as to what the composition of this board may or may not be. In all fairness to the people interested in a matter of this kind I think provision should be made to have representatives of the producers and the consumers upon the board. I think that is a fair request to make.

I should like to say one thing more with respect to a dominion marketing board. I have a great deal of sympathy with a marketing board but not with such a board as is provided for by this bill. My views on the setting up of such an organization are vastly different from those intended by this bill. This country should have a body which would show greater activities than those shown by any organization at the present time. This body should investigate and inquire into the methods of handling our products on the home and export markets and should seek information as to the best method of preparing and shipping our products both at home and abroad. If there were a board of that kind our producers would know what were the market requirements. Confidence would be restored to the people of this country and a lot of us would know what was the proper thing to produce.

Section 4 sets out some of the powers of the board, and subsection (a) reads as follows:

> —to regulate the time and place of marketing the regulated product, and to determine the manner of distribution and the quantity and quality or grade of the regulated product that shall be marketed by any person at any time, and to prohibit the marketing of any of the regulated product of any grade or quality.

If I interpret this clause aright it means that under this bill we are going to have a quota system in the marketing of our agricultural products. Apparently we do not appreciate fully the difficulty of carrying out a system of this kind and of getting the quotas properly adjusted to the actual producers. I am sure the number of people required to regulate such a measure will be appalling.

There is one other feature with respect to this quota system to which reference should be made. I have in mind the marketing of the great wheat crop of western Canada. Without intending offence to any hon. member of this house, it is generally recognized that the southern parts of the three prairie provinces normally produce the highest quality of wheat. In attempting to apply a quota system you would have to take a proportionate amount of wheat from every individual, whether he lived in the northern or the southern part of the provinces. Under this quota system we would probably be obliged to leave at home much larger percentages of our high class wheat than we would if all the wheat were to be marketed. I feel that this quota system will be very difficult to work out. I am going to be so bold as to contend that if this system is claimed to be in the general interests of Canada, and the farmers are obliged to retain on their farms some of their products on the ground that it is in the general interests of Canada so to do, then the whole of Canada should contribute to such a scheme rather than just the producers of a particular product.

Reference has been made to the wheat board which operated in 1919 and other years. Many people have the impression that this bill is to provide machinery of a similar character. I think many people have failed to realize the changed conditions which have developed since the wheat board was in operation. At that time we were encouraged and even urged to produce more wheat. There were no restrictions on the sale of that wheat; we were allowed to deliver every last bushel which was taken and paid for There is one important point which I think many people overlook and that is the fact that at that time we were able to obtain an initial payment of $1.25 per bushel, or more, whereas if a similar policy were adopted with respect to wheat to-day, I am afraid that under present conditions the initial payment to the producers would be only 25 or 30 cents per bushel. Therefore conditions are vastly different in that respect at least.

I wish now to refer to clause 5, the marketing scheme. In this reference is made to how the marketing scheme may be brought into operation. The clause reads:

> A representative number of persons engaged in the production and marketing or the production or marketing of a natural product may petition the governor in council to approve a scheme for the regulation of the marketing of such natural product by a local board under the supervision of the board.

If I interpret that clause aright, it means that a representative number of producers—it does not say how many or what the basis of their representation will or should be—may petition the minister who by order in council can bring them under a marketing scheme. I may be going a little far in what I am about to suggest, but after all we are passing laws that may be administered not necessarily by the present Minister of Agriculture (Mr. Weir) but by other ministers of agriculture and other governments. Consequently we should always keep in mind not what will likely be done but what can be done under the various pieces of legislation we pass. I am of opinion, if I interpret this clause aright, that if a number of producers in Ontario, for example, should band themselves together, come to the minister and ask to have their organization, for instance, one of dairy products or, to go a little further, a butter cooperative association, placed under this scheme, they could do so and it could be approved. The danger I see in that connection would be that the same organization might then turn around and say: Here, stop the importation of butter from Manitoba and the other western provinces into Ontario. Can anyone imagine what that would mean to our western provinces? Yet I think that interpretation can be put on the legislation that is now proposed. A similar situation could apply to poultry products moving from one province to another. I do not say that this will be done, but I say that in this legislation there is a possibility of something of the kind being done. It is a very dangerous step for parliament to take and one that we should hesitate before taking.

I want to refer for a moment to clause 12, which is another very important clause in this bill. It reads:

> The governor in council may, by order or regulation published in the Canada Gazette, restrict the importation into Canada of any natural product which enters Canada in competition with a regulated product, and the governor in council shall have power to make regulations to provide for the licensing by the minister of importers, or otherwise to enforce any order made hereunder.

In my judgment that takes absolutely away from parliament its rightful control over tariff matters. I do not think there is any doubt that clause means that this marketing board set up by parliament would have power even over acts of parliament in this regard, to restrict or license the importation of products that might enter Canada in competition with a regulated product under this scheme. I do not know that hon. members fully realize the significance of that particular clause. It

means simply that if its provisions are carried out the government and parliament would really have no control over tariff matters with respect to products which come under this measure and are to be regulated. How could the government make trade treaties or enter into agreements with other countries, with legislation of that kind standing on the statute books? How could they enter into trade agreements with other countries and agree to some policy for the entry of goods into Canada from those other countries and then have this board pass a regulation prohibiting that importation?

Mr. GUTHRIE: That would not stand in the way.

Mr. WEIR (Macdonald): This is a most important piece of legislation and we should hesitate before we pass it. I think that particular feature of it is going a little too far. Like other hon. members I too have received representations with respect to this measure. I feel, however, I am fairly accurate when I say that this bill is not altogether what our cooperative organizations want, and in my judgment it is likely in the long run to do them more harm than good. It is certainly going to interfere with their own initiative in carrying on their activities. I cannot see how parliament can afford to delegate its power and authority to an independent board and still have the members of this house function as they properly should. I am not a very old member of the commons, but I have vision enough to think we should have some control over the different bodies that are set up by this institution and I am not as yet prepared to delegate the authority of parliament to some outside body, if for no other reason than that if this delegation of authority continues for a little longer the people might think parliament unnecessary and I might be deprived of my position.

I repeat—and I want to make this abundantly clear—that I am absolutely in sympathy with the cooperative movements of this country and I think they should be assisted in every legitimately possible way, but I hope people will realize that there is some responsibility on the part of members of parliament in dealing with these different matters. This bill, in my opinion, is not a marketing bill at all; that is altogether a wrong conception of it; it would be more rightly called a regulating measure. May I submit with all deference that the various objects the bill attempts to carry out in the way of grading and standardization of natural products can be and are being carried out very largely under legislation provided with respect to those different products. This year we have passed amendments to the Dairy Produce Act, the Fruit Act and some other acts under which we dealt with these very matters, so that in connection with them I do not think the bill is necessary.

Another weakness in the bill is that it fails to indicate where the board would be directed to extend any of its efforts toward promoting trade or getting markets. That is something that should have been in the bill as a duty of the dominion marketing board, and it is not there. In this regard I should like to refer to a matter with which the hon. member for Humboldt (Mr. Totzke) dealt. We saw the other day in the press a communication from the wheat conference indicating that France had asked, if she restricted her acreage in wheat or the assistance to her own growers, what she could expect in return from other countries. The committee, quite properly, I think, said they could not promise anything, as that was the responsibility of the respective governments. The point I wish to make is this: France having made that statement, which we have no reason to think was not made in perfect good faith, what are we going to do to meet her? Is this marketing board to be clothed with power to deal with matters of that kind? There is no indication of it in the bill. The bill, however, does make it abundantly clear that if the situation were reversed and France were under agreement delivering goods to this country, this board could take steps by way of regulation to curtail the importation of such goods. That seems clear under section 12.

I submit that before this bill was presented and the house asked to deal with it we were entitled to have and should have had the advantage of the findings of the committee investigating mass buying and price spreads. If the minister can explain why that course was not pursued and this bill delayed until the report of that committee was more nearly ready, I should appreciate it. Personally I should like to see this bill referred to a special committee or a select standing committee of the house so that witnesses could be called to speak for the people interested—

Mr. GUTHRIE: You can move that.

Mr. WEIR (Macdonald): —and have them present their views concerning the various matters. I do not think this legislation is what our cooperative organizations are looking for, and they after all are the people most vitally interested.

Mr. J. H. MYERS (Queens): In rising at this time to say a few words concerning this marketing bill I assure you, sir, that it is with no desire to prolong the debate, which to my mind has already been too long. Session after session for the last three or four years, hon. members opposite have filled page after page of Hansard in putting before the house the lamentable condition in which the farmers of Canada found themselves. This lamentation relates largely to western Canada; it does not apply with equal force to the farmers of eastern Canada. I have the greatest sympathy with the farmers of the west. I visited their country last August, and what I saw in some of the western provinces made me feel very glad indeed that I lived just as far east as I could possibly get without getting my feet wet. I do not say this in any light way; I am a farmer myself, and perhaps no man sitting in this house who is not a farmer realizes fully what it means for a farmer to go out in the spring, prepare his soil, sow his seed, put in long hours of labour with high hope in his heart, and then when the autumn comes find that he has absolutely nothing to reap. Let me say in passing that no matter what measures may come before the house at this session for the purpose of alleviating the sufferings of my brother farmers in the southern portions of the three prairie provinces, I would vote for them cheerfully and willingly and give them my most hearty and loyal support.

As I was saying, for the past three or four years hon. members opposite have dwelt upon the condition of the farmers of Canada, and then they jauntily ask, "What are you doing about it? What are you going to do? Why don't you bring down some policy to alleviate their sufferings and improve their condition?" They have said so much along that line that the farmers of Canada are looking to us to do something. Now when the government brings down a bill that has been carefully considered, not by the minister and the Department of Agriculture alone but by agricultural organizations and societies all over Canada, they having given their advice to the minister on the matter on many occasions, what do we hear from hon. gentlemen opposite? It appears that they are afraid now that this government are really going to do something to better the condition of the farmer. That is what I gather from the very stiff opposition that is being put up against this measure.

I am not sure what the effects of the measures embodied in this bill may be. No man is sure, not even the minister himself. But I will say this: the bill is at least an honest effort to make it possible so to regulate the marketing of the products of the farm that the spread between what the producer who toils in the fields gets for his product, and what the consumer in the towns and the cities pays for it, is subject to control. This bill is an attempt to bring those two figures a little closer together, so that the producer may get a fair and equitable share of the consumer's dollar and the consumer at the other end shall not be exploited.

The hon. member for Macdonald (Mr. Weir), who has just taken his seat, raised the objection that the bill is premature, that we should have waited until the price spreads committee which is now carrying on its investigations had completed its activities and brought in its report. My answer is that days and days ago enough evidence had already been brought out in that committee to justify the adoption of this bill. Then the hon. member said that the minister in introducing the bill did not give a sufficient explanation of the way it would work out and the final results to be expected. The minister, I take it, gave all the explanation he could give. It must be borne in mind that this bill merely sets up a central marketing board, but the working out of the bill, in other words the bill itself, cannot come into operation or be effective until enabling legislation has been passed by the different legislatures throughout the dominion. Further than that, the legislation that may be passed by the different legislatures cannot itself become operative until the producers of a specific product get together and say to themselves, "We want to take advantage of the provisions of this bill." That is the way the bill will operate, and the local marketing boards that will be set up in the various provinces, and the primary producers of these products themselves, will I take it have more to do with the regulations governing the operation of this bill than will the Minister of Agriculture himself. That is a strong statement to make; I know it is a strong statement, but I believe in my heart that it is correct.

The hon. member for Macdonald also laboured the point very heavily that this bill was aimed at cooperative organization. To my mind nothing is further from the fact. It is true, as the minister pointed out, and as other members of the house who have spoken on this question have pointed out, that these cooperative organizations have not always been one hundred per cent successful. Their intention was right; the object for which they were organized was right; but often those who

were placed in charge of them lacked experience in the business that they were called upon to undertake.

I am a farmer myself and I know our ways, our faults, our peculiarities and our failings. I have attended a great many meetings in my time leading up to cooperation on the part of the farmers and I have not one word to say against it, remember that. But I have often noticed that some chap—might I be permitted to call him a smart Aleck—who knew a lot less about farming than about talking and putting out ideas, was sometimes responsible for getting the farmers together. He would say, "Boys, let us have a meeting in the hall a week from to-night and we will talk about marketing eggs, or poultry or potatoes or some other commodity." So the farmers meet there. This chap is usually chairman and secretary and spokesman, and as a result a number of motions are made and resolutions passed and they come away with a cooperative organization established, and this chap who knows absolutely nothing about the business, about establishing trade connections in foreign countries or in other provinces, finds himself suddenly at the head of an organization about which he knows very little. Yet, let me repeat, we have throughout Canada a number of fine cooperative organizations that are functioning very well, and this bill is by no means intended to interfere with their activities. In fact, I can see where it will be of great advantage to cooperative organizations of this kind. Take for instance in our own province, and I speak of that province because I know it best; we have a number of cooperative organizations known as marketing clubs for the marketing of our hogs. We have a number of them throughout our little province. Under the provisions of this bill, instead of doing away with these local marketing boards, we would centralize them together in one, and they as one cooperative marketing organization could operate under the provisions of this measure.

The hon. member for Macdonald, in closing his remarks, said he feared that this bill was nothing more or less than a setting up of the quota system in Canada and the application of quotas to the marketing or exporting of Canadian farm products. With all due respect to the hon. member, and I know that he is a gentleman of great ability, may I say that he seems to put the cart before the horse. As I take it, countries do not set up quotas for the purpose of exporting their own goods, but they do set up quotas to regulate the import of goods into their own territory; and it is that angle of the question that we in Canada may have to deal with in the near future. In other words, we with our products, seeking to get into outside markets, shall have to meet the quotas that are established in the different countries with which we have to trade.

The hon. member—and I might as well finish dealing with his remarks first—saw something in section 12 of this bill, and it was pretty much the same bogy that was raised by his right hon. leader—that old question of parliament renouncing its rights and passing them over to order in council. He read section 12 of the bill which provides: ,

> The governor in council may, by order or regulation published in the Canada Gazette, restrict the importation into Canada of any natural product . . .

And so forth. Has the hon. gentleman forgotten that for the past four years that very clause, embodied in other acts, used in the same way but in other lines, has been the greatest safeguard that the dairy industry of Canada has ever enjoyed? Does he not know that we dairymen of Canada are protected against the undue importation of New Zealand butter by regulations and orders in council? Has he any fault to find with that? I fancy that if he had taken time to think that matter over he might well have left that part of his address unsaid. Then he concluded his remarks by saying that this bill is not a marketing bill at all, and he followed other members on the opposite side of the house who have taken serious objection to the bill all the way through. They have criticized it, even the title, clause by clause, section by section. But I have yet to hear one single member of them get up and read a better bill. I have yet to hear a single one of them get up and from his place announce something that is better. Their attitude is this, "We will object to this bill: we will do our best to pull it to pieces, to tear it down, but we are not building up anything better to take its place".

I want to tell hon. gentlemen opposite that the farmers of Canada are to-day watching them very closely and very narrowly. Newspapers circulate into every home; radios are operated every night. Hon. members must know that the radio is an invention which is calculated to make politicians tell the truth; they can no longer make one statement in British Columbia, another in the prairie provinces, another in central Canada and another in the maritimes, because the radio takes the voice from east to west. Therefore hon. gentlemen opposite will have to be very

careful in the objections they are making to this attempt to give Canadian farmers a better deal.

Mr. YOUNG: You used the radio in South Oxford.

Mr. CASGRAIN: Your leader used it in South Oxford.

Mr. MYERS: At this point I should like to speak about the hon. member for Weyburn (Mr. Young) who to-night has been referred to as the boy on the burning deck. With him I may include other hon. members opposite. The hon. member for Humboldt (Mr. Totzke), the hon. member for South Battleford (Mr. Vallance) and, of course, I would not like to leave out the fine looking member for North Battleford (Mr. McIntosh)—

Mr. McINTOSH: The hon. member for North Battleford has not spoken in this debate yet. A little later he will.

Mr. MYERS: The hon. member will likely speak, so my remarks will refer to him later.

Mr. McINTOSH: Do not prognosticate too much.

Mr. MYERS: I have in mind about the same idea that the farmer had in regard to the pig. He said that you could always kick a pig because if he was not coming out of trouble he was just going into some. While hon. members opposite were speaking I was wondering if they ever go out alone after dark. I think not, because they are afraid of ghosts. As I understand it a ghost is a sort of hallucination of the mind which leads one to think he sees things which do not exist. Sometimes it is a state of mind created by exterior influences—

Mr. YOUNG: No, interior.

Mr. MYERS: Yes, or interior consumption. They have attempted to read into this bill words which do not appear in it. However, as it is almost eleven o'clock I shall not go into these details at the moment, but will move the adjournment of the debate.

Motion agreed to and debate adjourned.

On motion of Mr. Bennett the house adjourned at 10.57 p.m.

Wednesday, April 25, 1934

The house met at three o'clock.

PUBLIC ARCHIVES OF CANADA

On the orders of the day:

Mr. P. F. CASGRAIN (Charlevoix-Saguenay): On the 13th of March last when the estimates of the Public Works department were under consideration before the house I asked a question of the minister regarding paintings bought by the government for the national gallery. The item stood and progress was reported. A few days ago I put a question on the orders of the day asking if the government has purchased any paintings for the national gallery of Canada at Ottawa.

Right Hon. R. B. BENNETT (Prime Minister): The answer is no.

Mr. CASGRAIN: The answer given was:

No. All purchases of paintings for the national gallery of Canada are made by the board of trustees.

This answer apparently was given to me by the Minister of Public Works. I would like to ask the government how I can find out the way to get an answer. If the Department of Public Works says that the board of trustees purchased these paintings, apparently the government does not give me the answer. I would like to know if there is a way by which I can get an answer. The board of trustees is not before the house. Generally it is the Minister of Public Works who deals with the estimates relating to the national gallery. I was discussing this very item and I put the question afterward. I think the government is able to give the answer, because, if I understand, the board of trustees is under the control of the Public Works department, and any money they would spend for the purchase of pictures would be under the control of the minister.

Mr. BENNETT: Mr. Speaker, no one knows better, or should know better, than the hon. gentleman that this parliament votes money to the trustees of the national gallery. This House of Commons does not purchase pictures, neither does any minister of the crown, for the national gallery. The question that the hon. gentleman asked could not be answered in any other way than the way it was answered, that is that the government has bought no pictures for the national gallery. If the hon. gentleman asks, what pictures the trustees of the national gallery have purchased during the last year the minister will send a note to the trustees and ask for the information and communicate it to the hon. gentleman.

The trustees of the national gallery were a body existing before this government came into power. There has been no change in the treatment of the trustees except that the amount available for the purchase of pictures has, I regret to say, been less than in previous years because of the diminution of revenue. But I do think it rather unfair for the hon.

gentleman to-day, after the answer the other day to repeat the question, "What pictures have the government bought?" The trustees are a body created by statute, unanimously I think, by parliament long, long ago, in order that they should be free from political influence or any other form of influence. I may say that there has been only one appointment made to the trustees board since we came into office, they are just the same trustees as before we came into office except for one gentleman; I think one member died and was replaced by Mr. E. B. Hosmer.

Mr. CASGRAIN: I shall change my question;—

Hon. H. A. STEWART (Minister of Public Works): In addition to what the Prime Minister has stated I can only say to my hon. friend that the annual reports of the national gallery are laid on the table of this house, and they contain information as to purchases made by the trustees.

LIEUTENANT-GOVERNOR OF QUEBEC

On the orders of the day:

Mr. S. W. JACOBS (Cartier): Might I ask the Prime Minister if the Hon. Mr. Patenaude has been named lieutenant-governor of Quebec?

Right Hon. R. B. BENNETT (Prime Minister): His Excellency the Governor General has approved of the appointment of the Hon. E. L. Patenaude as lieutenant-governor of the province of Quebec.

CANADIAN NATIONAL RAILWAYS

PURCHASE OF PROPERTIES IN CITY OF WINNIPEG

On the orders of the day:

Hon. R. J. MANION (Minister of Railways and Canals): A few days ago the hon. member for St. Boniface (Mr. Howden) asked a question with regard to the purchase by the Canadian National Railways of some land in Winnipeg, at Fort Rouge. The hon. member made some statements which were rather startling, and I promised that I would make immediate inquiries and see what were the facts, since I had not heard of the matter before. His first statement was:

It is now rumoured, firstly, that an excessive price was paid for these properties—

May I point out that these properties were bought in 1927, 1928 and 1929, and I quite agree that probably the prices were excessive. Then the hon. member said:

—that the expenses in connection with the handling of them were padded to a very decided extent—

[Mr. Bennett.]

I cannot answer that statement, but I am asking for a further report. Then the hon. member added:

—that rents are collected on the properties that are not turned in to the railway at all in some instances, and that greater rents are collected than are turned in to the railway.

That is a pretty serious matter, and again I cannot make any statement at the moment, but inquiries are being made. The railway did buy properties in the years mentioned, according to my information, for the purpose of extending their yards, which has not been done except to a very small extent. They bought the properties through a firm named Harris & Chisholm, who get five per cent for the collection of rents. An employee of Harris & Chisholm, whose name I do not care to give because he may not be guilty and I do not think I should label him as guilty, is said to be short in his returns to the extent of some $500. According to the statement given me the railway would appear to be wondering if they were to lose the $500, but I should think it would be Harris & Chisholm who would lose the money if their agent collected it and failed to turn it in. However, I shall endeavour to secure further information and furnish it to the hon. gentleman later.

Mr. J. P. HOWDEN (St. Boniface): I made it quite clear that this was in the nature of a rumour and not a definite statement. The rumour was to that effect.

MARKETING ACT

ORGANIZATION TO IMPROVE METHODS AND PRACTICES IN MARKETING NATURAL PRODUCTS

The house resumed from Tuesday, April 24, consideration of the motion of Mr. Weir (Melfort) for the second reading of Bill No. 51, to improve the methods and practices of marketing of natural products in Canada and in export trade, and to make further provisions in connection therewith.

Mr. J. H. MYERS (Queens): Mr. Speaker, when the debate was adjourned last evening I was discussing the bill before the house in general terms and was about to express the opinion that the farmers of Canada have been looking for just such legislation for some considerable time. I am glad that my opinion in this regard was supported last evening by the hon. member for Vegreville (Mr. Luchkovich) in the very admirable address which he presented to the house.

Let me say that when this bill was presented, in view of the fact that hon. gentlemen

opposite had been asking for a number of years for just such legislation in order to alleviate the condition of the farmers of Canada, I hoped that the bill would receive unanimous support and would be passed through the house with the least possible delay. I am afraid, however, that the opposition that has been expressed by hon. gentlemen opposite will have a tendency to divide the opinions of the farmers themselves on this question. I think unanimity in regard to this bill should have been shown here and should have been carried right through the farming districts of Canada.

In the few minutes at my disposal I propose to answer some of the criticisms that have been directed to certain clauses of the bill under consideration. A considerable amount of discussion and doubt seems to have arisen with regard to subsection (c) of section 4, which reads:

to compensate any person for loss sustained by exporting, storing or withholding from the market any product pursuant to any determination or order of the board;

I think it was the hon. member for Humboldt (Mr. Totzke) who made the remark last night that this meant that the farmers or producers themselves were to be compensated for any produce they were asked to withhold from the market. That is not my understanding of this subsection; my understanding is that when there appears to be a visible surplus of any commodity on the markets of Canada that would have a tendency to depress or lower the domestic market, certain dealers or exporters might be asked either to withhold a portion of this commodity from the market or to take a certain amount of that commodity off the market and export it to some other country. If they suffered a loss through such transaction then they would be compensated to the amount of their loss under the power granted by this act. Then there has been some discussion with regard to subsection (e):

to assist by grant or loan the construction or operation of facilities for preserving, storing, or conditioning the regulated product and to assist research work relating to the marketing of such product;

The hon. member for Weyburn (Mr. Young) seems to have almost an undue amount of imagination; he reads into this clause power to establish sawmills, flour mills, bakeries, canning factories, tobacco plants, breweries and distilleries. I would not object very much to the last two, but I see no reason why the hon. member should fear the construction of all these plants under the authority of subsection (e) of section 4. In my opinion under this subsection the board would have power to establish certain curing houses or storehouses that might be of great advantage in the marketing of some of our farm products, such as cheese. I am very sorry, as a farmer, that our position in regard to cheese is not as good as it was several years ago. The manufacture and sale of cheese in Canada has been more or less on the decline for a number of years, while the production of butter has markedly increased. I believe the Department of Agriculture might well devote their energies to fostering the manufacture of more cheese in Canada, especially in the provinces of Ontario and Quebec. Under this subsection they would have power to establish curing houses in Canada or elsewhere, as might be thought best, in order that our cheese might be properly cured before being placed on the British market. It is well known that Canadian cheese goes almost directly from the factory to the trade. As a matter of fact I believe that is the reason for some of the unpopularity of Canadian cheese at the present time. The market for our product is largely in Great Britain. We know that the consumers over there want a well cured and uniform product. Under this subsection arrangements might be made for the procuring of storehouses which could be used for the proper curing of our cheese. During the time required to effect the maturing the board would have the power to provide the necessary money to pay the farmers for the milk consumed in the production of the cheese. The same suggestion might be applied in connection with the erection of potato warehouses in my own province. In Prince Edward Island there is only a very short period in the fall of the year, before the frost sets in, during which we may market the major portion of our crop. A number of the business men, shippers and farmers of that province, backed by our board of trade have been asking both the local and provincial governments to assist in the erection of proper storage warehouses in order that we might be able to hold our potato crop for a longer period.

The hon. member for Weyburn has referred to paragraph (f) of subsection 1, section 4, which reads as follows:

(f) To require any or all persons engaged in the production or marketing of the regulated product to register their names, addresses and occupations with the board. . . .

And so on. The hon. member seems to take great exception to the word "register" and, at a later point, the word "licence." My interpretation is that the first part of that clause refers to the producer, and the last part to those engaged in the trade, or in the handling and marketing of the commodities.

May I say to the hon. member that there always comes a time when you have to register your men; you have to count heads and see where you stand. A short time ago I heard about a Newfoundland sea captain who had to accomplish a certain piece of work in connection with which he was not making very great headway. The crew were down in the forecastle. The captain went to the companionway and said, "How many of you are down there?" They said, "Three of us." He said, "Well, come up here, the half of you." I believe that principle applies as well to this legislation.

For the information of the hon. member for Weyburn let me say that since 1920 in the Potato Growers Association of Prince Edward Island we have been numbered, we have been counted and we have been registered, licensed, or whatever name you wish to apply. Not only that, but we have paid and continue to pay an annual fee of $2 into our association for that very privilege of being registered or numbered. It could not be otherwise. How could any board or the secretary of any organization or marketing association intelligently conduct its business unless he knew the number of growers or producers for whom he had to provide. That procedure is absolutely necessary. Not only do we have to register, but we have to record the number of acres of potatoes under cultivation in the year under review, and we are living through it. I say no harm can come from that clause. The same applies to shipping clubs. In the province of Prince Edward Island we have a number of clubs whose duty it is to ship hogs. Not only do the members have to register once a year, but every time they wish to sell hogs they have to record their names and the number of hogs they wish to export.

Then, the hon. member for Weyburn took exception to paragraph (g)—

> To require full information relating to the production and marketing of the natural product from all persons engaged therein and to require periodic returns to be made by such persons, and inspect the books and premises of such persons.

Let me say right here that the hon. member ought to have an opportunity of going into some of our packing houses and cold storage plants, and inspecting their books so that he might be able to ascertain the spread between the price received by the producer for the goods he puts into those plants, and the price that the consumer pays for the same goods when they come out. Last night the hon. member for Humboldt (Mr. Totzke) referred—and not quite correctly—to what the hon. member for Brome-Missisquoi (Mr. Pickel) said when speaking about this matter. The hon. member for Brome-Missisquoi did not object to the grading regulations; on the contrary he said he approved of them. He did voice the objection, however, that when the farmers begin to produce in the spring of the year the prices for eggs and butter invariably go down. Those commodities are put into cold storage by the owners of the plants, and kept in storage during the summer months. Then in the fall of the year when the supply from the farms begins to slacken off the storage supplies are put on the market. If one were to judge by the price the consumer has to pay he would never know it was the same article that had been put into the plants earlier in the year. What is true of eggs and butter is equally true of hogs.

May I say a word or two about a matter which has always caused me a great deal of annoyance. Hon. members who till the soil, as I do, and know anything about the management of farms know that there are two principal seasons in the year in which farmers market their hogs, namely the fall and the spring. Almost invariably for as many years past as I care to remember—and more—during times when great numbers of hogs are offered on the market the price has dropped. Then, again, during the summer and midwinter seasons, when few if any hogs are offering for sale, the prices will go up sky high. To my mind one of the functions of the marketing board established by this legislation would be to see to it that no such fluctuation could take place. The hon. member for Weyburn would do well to examine the books of these companies in order to ascertain whether or not the farmers are getting a square deal.

This legislation is to receive the sanction of local legislatures throughout the dominion, and the sanction of those engaged in the particular industries affected by it. The legislature of the province of Prince Edward Island for a long time has been looking for some such bill as the one now before us. While the local legislature of that province was in session, despite the fact that this bill had not passed the federal house, it passed the necessary legislation. As a result that province is now engaged in setting up a marketing board to cooperate with the central marketing board, and they are in great hopes that the central board may be established in time to look after this year's crop.

At this point may I read what an influential Liberal representative in the province of Prince Edward Island said about the marketing board legislation:

Mr. LePage said that he had been looking forward to some relief for the farmers. He could see great benefit could accrue from this legislation. The bill is now before the dominion parliament, and after it has been passed there, there would be a better opportunity for knowing more about it. He had suggested such legislation and was glad to know it was being introduced at this time. After receiving an anonymous letter similar to that received by Mr. J. A. MacDonald and which was signed "Association of Independent Potato Shippers" he was more than ever convinced that there is need of a marketing board to control prices. The farmers have been suffering for a number of years through their products being handled by speculators and not receiving sufficient prices for them.

Mr. LePage said that Canada controls the lobster supply of the world. He saw great possibilities in the lobster industry through cooperative marketing once the prices were controlled. If Nova Scotia, New Brunswick and Prince Edward Island were not quoting different prices, we might be getting $30 in place of $20 now through the marketing board. The price to the fishermen might also be controlled, so that they would receive more for their catch.

Ninety-five per cent of the beef raised in Canada is consumed in Canada, but the farmers are not getting the price they should receive. The meat industry is in the hands of a few big packers. There is something wrong when pork is selling on the street at 9 cents a pound, and yet bacon is selling at 30 cents. The same is true of fish. Though codfish is selling at 10 cents a pound in the city, yet on the shore about 20 miles from here, it only brings from one to two cents. Here is where a marketing board may prove of great benefit.

I would like to say a word or two with reference to the remarks made by the hon. member for South Battleford (Mr. Vallance). That hon. member was dealing with the wheat situation and I gathered from his observations that he was opposed to the bill all the way through. I do not know very much about the marketing of wheat. It is possible that this bill might not operate as successfully in the marketing of wheat as in the marketing of some other commodities but I would just like to ask the hon. member for South Battleford, and other farmer members on the other side who have spoken in opposition to this bill, whether, in view of the fact that they do not know of a certainty just how this bill will work out, they are prepared at the present time to return home to their farmer friends in western Canada and take upon their shoulders the responsibility of advising them to have nothing to do with the present marketing bill. That is the question they will be called upon to answer when they meet their constituents, and it is the one which they must answer if they wish to be known as the representatives of the people and those who have the best interest of their people at heart.

The hon. member made one or two remarks to which I take a good deal of exception—I am sorry he is not in his seat, because I always like to be able to look at a man when I am talking to him. Speaking of wheat growing and the marketing of wheat in western Canada, he made this astonishing statement:

> I am one of those who favour the setting up of a marketing organization that will take delivery of all the wheat and then Canada can do what she chooses with it. We should not ask the grower to bear this burden; I do not think it is fair.

Then he continues:

> I still say that if Canada wishes to control and regulate wheat she should take the responsibility of financing the whole operation.

Any man who would put before the House of Commons a proposal that the federal government take over—which means buying—the entire crop of western wheat and then find a market for it and stand or fall by their operation, surely cannot be serious. Only a short time ago the same hon. gentleman spoke in very disparaging terms of what was done by the government during the past two sessions in order to stimulate and improve the marketing of western wheat. I remember that his criticism of the Prime Minister (Mr. Bennett) and Mr. McFarland who were engaged in this work, was very strong. Now he comes forward with the statement that the dominion government should take upon its shoulders the responsibility of marketing the whole western crop.

I will not take up any further time. I might just say this, that I listened with amazement to the two-hour speech delivered by the leader of the opposition (Mr. Mackenzie King) the other day. He spoke on just three points: the independence of parliament, the constitutional issue and the Magna Charta. I wonder what the farmers out in the fields of Canada care at present about the Magna Charta or the constitution or the independence of parliament; they are more concerned with the marketing of their farm products.

Mr. HERMAS DESLAURIERS (St. Mary's) (Translation): Mr. Speaker, I followed closely and with much interest most of the speeches delivered on this measure. No doubt the house is unanimous in recognizing that it is expedient, owing to the difficult times we are experiencing, to improve certain methods in our trade. The point on which we disagree is the scheme that the government wishes to impose so to attain its purpose.

I make it a rule to respect the views of my colleagues and all those with whom I differ of opinion. I intend in the course of my remarks to follow this principle. However, I shall point out to the hon. member for Queens (Mr. Myers), who has just preceded me in this debate, that I do not entirely agree with his views on certain phases of the bill, especially, when he contends that the prerogatives of provinces are not threatened by this legislation. No doubt, he refers to section 11, which reads as follows:

The Board may, with the approval of the Governor in Council, exercise any power conferred upon it by or pursuant to provincial legislation with reference to the marketing of a natural product.

The board may exercise any power conferred upon it by a provincial legislation. The section does not state that it should but that it may; it will therefore be optional for this board to exercise the powers conferred upon it by provincial legislation. The section adds that this board may moreover exercise "any power under the authority of this legislation in connection with the marketing of a natural product, I am not a lawyer, however, I think that this section implies that this board may exercise all the powers conferred by a province; however, on the other hand, that it is perfectly free not to exercise them or set them aside and exercise those authorized by this section 11 under the act.

Furthermore, if the press has well interpreted the statement of the hon. Prime Minister of Quebec, whose standing as a legal authority is well known, one may note that his views certainly agree with the comments I have just made.

Mr. Speaker, the hon. member for Vegreville (Mr. Luchkovich) seemed quite astonished, last evening, to find that the Liberal party opposed this measure and he could not understand our attitude. He spoke jokingly and ridiculed the right hon. leader of the opposition (Mr. Mackenzie King) as regards his arguments from a constitutional viewpoint. I thought that my hon. friend seemed quite pleased last evening, when he delivered his speech. He probably had reason to be because it referred to a radical measure and, as a member of the C.C.F., that pleased him very much. On the other hand, we are not obliged to share his views and the reason we oppose this bill, at present, is because we are the pioneers of this American continent, we were born in Canada, we have but one country, Canada, our history is dear to us, we possess institutions which are equally dear to us and we have a constitution that we wish to safeguard. We also have traditions which we do not want to foresake for new principles such as those that are advocated by our friends on the extreme left. At all events, if the hon. member for Vegreville will only, at the next election, consult his French Canadian constituents who usually support him and repeat to them what he stated as regards this bill, they will know how to act and will give him a full measure of justice.

In perusing, sir, this legislation known as "An Act to improve the methods and practices involved in the marketing of national products, 1934," I feared at any moment to come across some expression with a Russian consonance, so much I found that this piece of legislation was remote from all British practice. We must, on the second reading of this bill, confine ourselves to the principle of the bill. I heard it said in the house that this bill contained not one principle but three. I think that there is a very important one involved and it is easily discovered.

To all purposes the government wishes to upset the authority such as constituted in this country and destroy one's liberty as well as commercial freedom.

The apparent purpose, improvement on the methods in practice for marketing the Canadian natural products for exportation, an improvement which we recognize as necessary, becomes of minor importance and cannot be the principle of this measure if the government persists in following this procedure rather than proceed by placing an item in the estimates and by cooperating with the provinces.

To allow the government to build up an all-powerful board having its elbow room in the public treasury without the authority of parliament, a board responsible to no one, which would have the right, without consulting any one, to legislate, monopolize, reward, licence, indemnify, expend, discount, exempt, possess, destroy, punish and even throw people in gaol, that is no more a principle. Organize boards of all kinds, shake up a whole army of officials whose number is unlimited and at a salary determined by themselves—

Mr. CASGRAIN (Translation): Informers.

Mr. DESLAURIERS (Translation): —it is simply an abuse of power which, in certain countries would probably result in civil war. And should we somewhat consult history, we shall easily find examples where these improper legislations brought the downfall of crowns. Even in our own country, hardly a century ago, owing to quite a similar legislation the

people of this country took up arms and were thanked by a responsible government which the Liberal party upholds to-day.

Mr. DUPRE (Translation): You are not in earnest?

Mr. DESLAURIERS (Translation): Should this bill be enacted in its present form, we shall witness the rights of parliament, of the representatives of the people, usurped, the liberty of the nation and commerce encroached upon and provincial prerogatives despised.

We note in section 3 that the governor in council shall establish a dominion board of organization which they will set up as they think fit and fix whatever salaries they please. Such legislation could, perhaps, be understood under a government like the present one in Germany or like the government under Mussolini, in Italy, or again like the one under Stalin, in Russia, but not under a responsible British government like ours. The representatives of the people have a right to know who shall form part of this board, how many persons will it comprise, moreover it is a special prerogative of parliament to vote all salaries.

Subsection 5 of section 3 stipulates that the board may, with the approval of the governor in council, employ such technical, professional and other officers as the board may deem necessary or desirable and grant them salaries as may be fixed by the board without being authorized by parliament, just as if it were a matter of urgency, when we already have a National Research Bureau paid by authority of parliament. This arbitrary provision constitutes a dangerous abuse of power which may have an entirely different result than that of improving trade and, I think, it is our duty to point out this fact to the public.

Subsection 6 of the same section grants to this all powerful board the right to acquire, hold, and dispose of real and personal property or destroy them if it so desires and make the governor in council foot the bill. By subsection 9 of the same section the governor in council completes its powers by assuming the right to pay to this board all such sums of money as may be deemed necessary for the purpose of this act and this out of the consolidated revenue fund, without consulting parliament whose duty is to check up the administration of public funds derived from the taxes levied on the people.

Section 9 of this act constitutes, perhaps, the provision which calls for the most severe criticism. Without any petition from any board, association, group of producers already established, without any complaint on their part, on the minister's own initiative, should a friend complain that the local board or any group of farmers—for instance "l'Union Catholique des cultivateurs de Montmorency" —is an impediment to the trade of certain products, this section authorizes the minister to introduce a bill for the marketing of this product; the governor in council may approve of such a scheme and authorize the board to administer such scheme through any agency or council which it may establish itself—no doubt, friends will be remembered—and remain in force as long as the board deems fit. This is a section which is directly contrary to the views of the hon. member for Queens. By this section the minister in charge of the administration of the act, may, on his own initiative, appoint a board entirely foreign to the organizations of the district where he will enforce the act and even if the provinces protested, I think that such protests would be disregarded.

Bearing in mind human weakness, it is possible that the minister has been misinformed, that only one side of the question has been explained to him and thus the public will be exposed to a grave injustice, moreover, this bill might serve the most deplorable purpose without the people being able to protect themselves. That is what may be termed, so to speak, an unwarranted authority.

In section 4, subsection 1, it is stated that this board shall have power to regulate the time and place of marketing the regulated product. As we are well aware through the Economic Conference agreements, at Ottawa, that the desire of this government is to promote the British Empire's interests, Canada is thus assured of an imperial boom, without precedent, and a strong reaffirmation of what the entire world deplores, economic nationalism.

Paragraph (b) of this subsection 1 empowers this board to exempt any person from conforming to the ruling as regards a natural product. This opens the door to the worst abuses, and we may expect friends to take advantage of such an opportunity to make a small fortune while their neighbours watch them becoming wealthy at their own expense.

Paragraph (f) empowers this board to require a licence from all producers regardless of his importance. We must, therefore, admit that numerous boards and officials will be appointed, et cetera, to annoy the farmers accustomed to living like little kings in their own domain. This paragraph is far from fostering the back-to-the-land movement because liberty which is dear to all, especially, to the

farmers, will be replaced by slavery and might even lead to the gaol. Under the circumstances private enterprise must be greatly decreased.

The idea of improving the conditions of supply and demand—an unalterable principle of commerce—is accepted by all and no one will criticize the government for such a laudable endeavour. The proposal to improve certain trade methods is not a new one. The United Kingdom which possesses the genius of business to a high degree, also possesses an organization known as the British Marketing Board, an institution organized with the greatest circumspection so as not to harm the rights of any one and protect all interests, producers, salesmen and consumers—

Mr. BARRETTE (Translation): That is what we also intend to do.

Mr. DESLAURIERS (Translation) —an organization worked out by parliament, according to all the rules and regulations of the constitutions and which entirely eliminates all irregularities and criticism, inspires trust and encourages all those interested. Why did this government not proceed likewise and why has it not introduced a similar bill to that of Great Britain with which, no doubt, they are acquainted? In such a democratic country as Canada, the government has no excuse to introduce this bill. At a time when every person of sound mind are requested to oppose systems with subversive and radical notions which endeavour to take root among us, why does the government, in the interest of peace, order and good government, introduce an incoherent and autocratic bill, setting aside the rights of parliament, throwing overboard our constitution, our statutes and endeavour to enact a measure which should only find a place in Russia.

If the government did not proceed as did Great Britain when establishing its marketing board, the reason is that in Great Britain, statesmen who govern the country respect their constitution, while in Canada our rulers, in introducing this bill, have given proof of an entirely different attitude. The Prime Minister himself, states that our constitution should be amended. May it please Heaven that it be not in the sense of the bill under consideration, because it would be better to begin immediately to disrupt confederation.

It is absolutely unreasonable for the government to request the representatives of the people to approve an act granting the governor in council powers which they cannot forsake according to their oath of office and the constitution of this country. This bill would grant to the government, already in possession of a signature in blank, the powers of an absolute dictator. It is most unreasonable to request the members to help in undermining their parliamentary rights, in destroying the constitution and to place in the hands of one man the destinies of the whole nation. If that is not sovietism, I wonder in what way this bill differs. In fact should this bill be enacted in its present form, we shall witness throughout the country the organization of dominion marketing boards, local boards, investigating commissions, agencies and subagencies, composed of persons paid by the government from the consolidated revenue funds, indemnifying those who are friendly and presenting accounts to be paid by the public treasury on orders issued by the governor in council.

Moreover, we shall find that this staff will assume all prerogatives pertaining to provincial authorities, regulate the work of the people, like in Moscow, regulate production, take possession of it and market it, while the people will be powerless to prevent them doing so. The people will always be in danger of being ruined by a ridiculous and heavy fine or even thrown in gaol. Why not have added exile, as in Russia!

We shall witness the greatest abuses. It cannot be otherwise. These dictators under the plea of doing their duty, will have on hand licences to grant to any one, with conditions attached—that is sure to happen—they will enslave a whole nation to favour profiteers, political followers, they may even organize rackets worthy of the city of Chicago. That is where this section of exemption may lead us. While a friend is granted the privilege to squeeze a market, accumulate a fortune, his neighbour will not be permitted to market the fruit of his labours.

We shall surely see malignant, envious men, suing their neighbour through spite. Will not the country in which we live produce such a state of chaos, when the destinies of a whole nation are in the hands of one man, of a governor in council?

Mr. BARRETTE (Translation): Are you opposed to the principle of the bill?

Mr. DESLAURIERS (Translation): We may, without exaggeration, state that the bill is not British but Soviet in its conception, and that, by this act, the government endeavours to follow Hitler's policy.

I find it impossible to lend my support to this bill, in its present form. I am fully aware that my constituents have not placed their trust in me in order to sacrifice what they

cherish the most, their freedom of action so worthily won by them and so generously granted by the mother country. If this act is put into force as the government's majority intends to do, we shall soon hear of protests throughout the country. We shall preach patience, at present. Conscious of having accomplished our duty, it is on behalf of the infringed liberty of the individual, on behalf of our history, constitution and despised parliamentary rights that we request the people to tell us what they think of this government.

On the other hand, should the government wish to submit to us a measure based on the British Marketing Board, I shall be the first to support it.

Mr. ERRICK F. WILLIS (Souris): Mr. Speaker, for a few moments I desire to address myself to the measure now before parliament, namely, the natural products marketing bill. However, before doing so I desire to give if possible the background of the bill now before the house. I desire to do this because this bill emanated not from any master mind in this assembly but from the producers in different parts of Canada. The first conference called was the producers' marketing conference which was held in Regina on July 27 and 28, 1933. Among others, there were represented at that conference the Southern Alberta Dairy Pool, the Manitoba Vegetable Growers' Co-operative, the Canadian Poultry Pool, the Regina Live Stock Pool, the Canadian Horticultural Council, the Fraser Valley milk producers, the Saskatchewan Dairy Association, the National Dairy Council, the Saskatchewan Wheat Pool, the Manitoba Wheat Pool, the Cooperative Marketing Board, the federal Department of Agriculture, and the federal Department of Trade and Commerce. That conference passed the following resolution:

> Be it resolved that this body of producers representative of the major agricultural activities of western Canada, request the hon. the federal Minister of Agriculture to forthwith proceed with the preparation of a farm products marketing measure, which will be available to and adequate for the needs of the producers of all agricultural products in any part of Canada.

Following that conference, another conference met in Toronto on November 28, 1933. At this conference were represented Cooperative Federee de Quebec, the Montreal Milk Producers Association, Ontario Fruit and Vegetable Growers, Ontario Cheese Patrons Association, United Dairymen's Association, Ontario Milk Producers' Association, Nova Scotia Department of Agriculture, Prince Edward Island Potato Growers, New Brunswick Fruit Growers and Potato Growers, Ontario Growers' Market Council and the Horticultural Council of Canada.

Following those two meetings of the producers, at which there were represented practically every producers' association in Canada, we have before parliament the present bill for the consideration of this house. The measure we are now discussing proposes in my opinion three things: First, to ensure orderly marketing and thereby better prices; secondly, to prevent manipulation and exploitation; and thirdly, to provide machinery for removing from the local market any surplus which would tend to reduce the price. These I think are purposes with which we ought all to be in accord. It does not provide for restriction of production; it does not provide for price-fixing. It will be necessary in the discussion of the measure for me to quote certain clauses from the bill owing to the fact that criticism has been levelled against them in a very unfair manner in some instances.

I think it would be wise if I were to quote now section 3:

> The governor in council may establish a board to be known as the dominion marketing board to regulate the marketing of natural products as hereinafter provided.

Subsequently the measure sets out that there shall be local boards, and in subsection 9 of section 3 we have this very important clause:

> The governor in council may from time to time authorize payment to the board, out of the consolidated revenue fund, of such sums of money as may be necessary for the purposes of this act.

Against subsection 9 there is directed the Liberal opposition of the country. They say it is an infringement of the rights of parliament. You, Mr. Speaker, in your place, have heard this argument a thousand times in this house since 1930, and in support of the argument that the rights of parliament are being infringed we have cited to us Magna Charta, King John and all history back for a thousand years. So retroactive has the present opposition become that its best arguments are drawn from at least a thousand years ago. Subsection 9 is intended to ensure early operation of the act and also to avoid delay, and another argument to which I shall pay attention later on will prove that Toryism now resides on the left of the Speaker. This expenditure is desired because otherwise the act itself would not come into operation. Largely, the present measure is the creature of the producers' associations of this country, but in order that they may operate it becomes

necessary that the federal government, for a time at least, should make such expenditures as will enable them to commence.

Then I would quote section 4, against which many arguments have been advanced. That section provides:

> The board shall, subject to the provisions of this act, have power—
> (a) to regulate the time and place of marketing the regulated product, and to determine the manner of distribution and the quantity and quality or grade of the regulated product that shall be marketed by any person at any time, and to prohibit the marketing of any of the regulated product of any grade or quality.

The hon. member for Hants-Kings (Mr. Ilsley) particularly advanced what I should say was a very clever argument in regard to this limitation. He was of the opinion that quality might very well be regulated but not quantity. I should like to direct his attention particularly to the fact that for the purposes of any orderly marketing there must be regulation of the quantity of quality if there is any regulation at all. That is to say, if there were thrown on the market a large quantity of lower grades it would have the effect of defeating the purpose of the bill which is now before us. For instance, in the marketing of hogs it would be absolutely necessary that you limit the quantity of quality. This section fits in very well with whatever quota systems we may have similar to under the Ottawa agreement whereby we market hogs in the old country. It makes for uniformity of quality; it makes for uniformity of delivery; and it makes for compensation for intelligent effort on behalf of the producers of the country. In fact, it is placed here, I should say, for the purpose of fulfilling our part in the present world system of obtaining markets. The section itself is for the purpose of giving power to the producer to market his own product in the best possible way.

I come next to subsection (j) of section 4, against which much criticism has been levelled. That subsection provides that the board shall, subject to the provisions of this act, have power:

> to cooperate with any marketing board or agency established under the law of any province to regulate the marketing of any natural product of such province and to act conjointly with any such provincial board or agency.

There was certain criticism advanced in regard to this clause on the ground that it might impinge on provincial rights. But in regard to the question of provincial rights itself, this clause would not become operative unless the producers of the particular province desired to come within the four corners of its enactment.

I was greatly surprised at the very rabid criticisms directed against this government with respect to this particular measure, but I found no criticism directed against the governments of the different provinces who have themselves put through similar legislation. It is strange that all the blame should be heaped upon this government, hon. gentlemen forgetting entirely again the fact that the purpose of this is largely enabling legislation, in order that the producers and farmers of the country may be enabled to do that which they desire to do. In other words, if the producers desire it, if the provinces desire it, then they cannot all be wrong, and it seems to me that if we follow their desires, then anyone who tries to obstruct the legislation must be said to be doing it for a purpose which is not in the interests of the people whom they represent.

I would refer next to section 5, which reads:

> A representative number of persons engaged in the production and marketing or the production or marketing of a natural product may petition the governor in council . . .

And then the petition is referred to the board, following which the minister may, if he sees fit, recommend and give his approval. In addition to that, we find that before any scheme is approved the governor in council shall be satisfied:

> that the principal market for the natural product is outside the province of production; or that some part of the product produced may be exported.

That is to say this legislation is directed to the benefit of export trade. In view of the arguments advanced by the opposition that export trade is very desirable but nothing has been done in regard to it, I am again surprised that they should oppose this measure.

Then I should like to refer to certain sections of the bill which hon. members opposite consider too drastic, particularly section 7:

> (1) Every local board established hereunder shall continue to have authority to exercise its powers until such time as the governor in council withdraws such authority.
> (2) A representative number of the persons operating under a scheme approved under section five of this act may petition the minister to revoke the scheme.

Hon. members opposite, particularly the hon. member for West Edmonton (Mr. Stewart), say that this is too drastic. May I point out first that the governor in council may withdraw his authority at any time, which makes the provision elastic to an extreme degree

and capable of being quickly changed. Those who are detrimentally affected may themselves ask that it be changed; so that the legislation is perhaps as elastic and susceptible to change as any legislation which ever came before this house.

Criticism is directed particularly to section 9, which, it is said, involves bureaucratic interference from above. The section reads:

> Notwithstanding that no petition in relation to any natural product has been filed, the minister may, if he is satisfied that the trade and commerce in the said product is injuriously affected by the lack of a local board to regulate such product, at any time propose a scheme for the marketing of such product, and the governor in council may approve of such scheme and authorize the board to administer such scheme directly or through any agency which it may establish. Such scheme shall continue in force until terminated by the governor in council.

That is to say, even though there may not be a complete petition by producers the power is given to the minister himself to take a hand. Anyone who understands the cooperative movement in Canada will realize that at times there must necessarily come a deadlock; due perhaps to personal views, sectional views, provincial views. Then by section 9 a scheme may be implemented by the minister in charge for that purpose. I cannot see why that section is not desirable, to give to the minister power that he may exercise in his own discretion, if and when there is a deadlock, an impasse, if and when it becomes impossible for the different schemes of the producers to be all aligned, the corners all trimmed and an effective scheme put in action.

Mr. NEILL: Will the hon. member allow me a question? Does section 9 say that the minister's arbitrary action shall be conditional upon a deadlock?

Mr. WILLIS: No, certainly not. That makes no difference whatever. It merely gives the power to the minister. It is not going to say that on Tuesdays he may exercise it but not on Thursdays.

Mr. NEILL: Any old time he likes.

Mr. WILLIS: Any old time he likes he may exercise it for the benefit of the producer. It has been said that too much discretion is given to the minister in this regard. The hon. member for Last Mountain (Mr. Butcher) I think made that argument, and made it very well. Also it is argued that there is a degree of compulsory cooperation. There is no motive, no reason why the minister in exercising his discretion should do anything which is not for the benefit of the producer. Remember that the minister himself belongs to a party, to a government. He is always open to public criticism which may damn him and the political party and the government to which he belongs; therefore I say there is no motive which would impel the minister to take any action not for the benefit of the producers. But it is very necessary that if the producers themselves cannot move there should be some provision in the act under which the minister himself can exercise some power in order to bring their efforts to a successful conclusion.

It has been said that the British act is preferable. That was said by many members of the opposition, including the hon. member for Hants-Kings (Mr. Ilsley). I cannot see a parallel between the British act and any act which might be brought into force in this dominion, for the reason that in Great Britain they have no question of provincial jurisdiction. Here we are giving enabling legislation to such associations, such provincial governments as may care to use it. Therefore there cannot logically be any real comparison between the provisions of the British act, where there is direct administration by the government, and enabling legislation in this parliament which may or may not be used, depending upon the wishes of the producers.

Then criticism is directed against section 12, which gives power to restrict imports and exports. The section reads:

> (1) The governor in council may, by order or regulation published in the Canada Gazette, restrict the importation into Canada of any natural product which enters Canada in competition with a regulated product, and the governor in council shall have power to make regulations to provide for the licensing by the minister of importers, or otherwise to enforce any order made hereunder.
>
> (2) The governor in council may, by order or regulation published in the Canada Gazette—
>
> (a) provide that any natural product shall not be exported from Canada without a licence;
>
> (b) prescribe the forms of such licences, the terms and conditions thereof and the persons who shall have authority to issue the same;

The section further indicates that penalties may be imposed. Imports particularly are to be restricted, because we desire to retain the home market for those products. The people whose products were concerned, who held conferences in regard to this matter, represented producers of poultry, honey, live stock, milk, fruit, vegetables, maple products, and in addition the western wheat pools had what you might call a sitting brief.

Again criticism is made that under this bill we are delegating powers which we should not delegate, infringing upon the rights of parliament; and they bring in the dear old argument of Magna Charta and King John. Again the poor old gentleman is disturbed and brought out of his tomb to support an attempt in the Canadian parliament to frustrate the efforts of the producers to get a marketing bill. Delegation of powers, I have heard men of the legal profession make eloquent speeches in this house on that subject. What do we delegate to the legal profession? We delegate to the legal profession rights of life and death over all its citizens; yet forsooth we should not delegate to experts in marketing the products of this country any powers whereby they may assist the producer, powers which conceivably were exercised by parliament. There must always be delegation of power by this parliament; indeed, I think it is the general opinion throughout Canada that if this parliament delegated a little more of its powers to people who are experts, instead of having so much political discussion in this house, the people of Canada would be much happier. These measures are necessary of course in order that we may have complete control of exports, in order that we may fulfil our obligations in regard to national quotas. Ten years ago, fifteen years ago, this measure might not have been necessary, but at the present time, due to the system by which world trade is carried on, it becomes an immediate necessity. And you must necessarily have provision for a penalty, in order to make effective the will of the people, to protect these producers against themselves.

Finally we have criticism against section 16, which reads:

(1) The minister may, at the request of the board or upon his own initiative authorize an investigation into the cost of production, prices, spread, trade practices, methods of financing, management, policies, grading, transportation and other matters in relation to the production and marketing, adaptation for sale, processing or conversion of any natural product.

In addition to that the minister may also require persons engaged in the production or marketing, adaption for sale, processing or conversion of a natural product to submit at regular intervals or at any stated time, information demanded by the minister in connection with the matters referred to in the previous subsection. That is to say, if hon. gentlemen opposite desire that we shall not implement what has been brought out by what is known as the Stevens inquiry, of course they do not desire these provisions, but so far as the man on the street is concerned this meets a great need in connection with control. The general criticism offered by the opposition in regard to this section is that the consumer is not protected. May I point out, sir, that under this section while the consumer is not protected the price spread is dealt with; therefore the cost to the consumer is brought closer to that which the producer receives. We desire now that the producer shall receive more; by doing the one we also do the other. So far as the consumer is concerned, if he pays only slightly more than the producer receives then you are bound to have prosperity for the producers and for the country itself. So, with regard to the argument concerning the consumer, I would say it has no merit whatever.

When we come to the other sections of the act we find that they are not of great importance and that very little criticism has been directed against them. Generally speaking, however, I should like to know whether in reality the opposition are satisfied with present conditions. If they are, they have well indicated their feeling during this debate. If they are not satisfied with present conditions with regard to the producer they have not suggested any measure by which the producer may be put in a better position. What alternatives do they suggest if they do not accept the marketing bill now before the house? I notice that one hon. gentleman, my good friend from Humboldt (Mr. Totzke), began to quote Mr. W. A. Landreth of the Canadian poultry pool, but he quoted only a heading. Strangely enough, while that very estimable gentleman could see very little good in this government previously, he is endorsing the present measure and his co-operative, together with others, were the people who met at the original conference and drafted the original resolution. So I suggest to the hon. member for Humboldt that it might not be wise to quote Mr. Landreth in support of his argument.

The fact that this measure is strenuously opposed by hon. gentlemen opposite is a splendid feature, I think. If this were a measure without teeth probably it would be allowed to slide through, but since hon. gentlemen opposite realize that the general cooperative movement throughout Canada desires this measure, they feel it necessary to fight the measure even as they fight the C.C.F. movement. In other words, they fight those things which are dangerous to their cause, hence the present opposition. We may well ask if they intend to oppose the second

reading of this bill and the general principle of a marketing board in Canada. If they do so of course the country will know them by their acts. If they oppose the second reading of the bill they oppose the principle of the bill, but they have offered no definite alternative, so their policy is just as unknown as their policy in regard to tariffs. That question has been dragged into this discussion quite frequently. It is strange that the opposition should oppose the marketing bill without suggesting an alternative. It is strange that the opposition should say the tariffs of this country are too high without stating what tariffs are too high. I ask them if, when they come into power, they will take off the 25 cent tariff on corn and thereby re-elect me, or if they will not? We want a few details in regard to this tariff question as we do in regard to their marketing proposals. Hon. members opposite say they are going to change the tariff. What changes do they intend to make, and on what articles? Hon. members back of me ask if they intend to change the tariff on furniture, and I think that is important. Personally, however, I am more interested in barley, corn and butter. Will the tariffs on these articles be changed? If so, let us and the electors know, because we do not want to slide into power again on butter. Perhaps if we could get an announcement of their policy, however, we might do so.

I think if the opposition desire to be fair they should also criticize the provinces, since they have put through legislation in connection with this marketing bill. I should be delighted to hear the hon. member for Lisgar (Mr. Brown) and the hon. member for Macdonald (Mr. Weir) criticize Premier Bracken in this connection. They assisted him in his campaign, but he has put through implementing legislation in regard to marketing, so to be consistent I think they should criticize him as well. The present measure is to implement the desires of the producers of this country. It does not restrict production. It is said that it is a radical move; of course it is, and more power to the government.

Mr. HEAPS: Come over here.

Mr. WILLIS: It is a radical move to aid the producers, and that is what is needed. We have heard a good deal about the liberty of this parliament, but what we desire is the liberty of the producer to control his product.

I should like to say, Mr. Speaker, that if the people of this country could step into this house they would see which party in this country is the stand-pat party; they would see where the reactionaries are. They would see where what is known as Toryism takes its stand. I find that according to the dictionary a Tory is one who is opposed to changes in the constitution. The head of the Conservative party in this country has stated already that our constitution should be amended, and I suppose hon. members opposite will be against that, as usual. So I should say Mr. Speaker, that in the great valley of depression to your left lies the Toryism of this country. And lest hon. members opposite should think I make that statement because of prejudice I should like to quote an outstanding authority, the leading Liberal journal in this city. I read the first paragraph of the leading editorial of April 25, 1934 of the Ottawa Citizen:

> There is nothing easier in Canadian politics than to sit on the opposition side in judgment of the government. The greatest opportunity for criticism is provided by the budget speech of the minister of finance. It is an opportunity also, however, for the leading financial critic to show where the opposition has any more hopeful policy to put forward. Never before in any Canadian parliament have there been such opportunities as in the years since 1930, but this official opposition has been more conservative than the government. It is simply a negative factor in parliament, offering neither light nor leadership in Canada's most critical period of economic readjustment.

I should like to quote also the conclusion of the editorial, what you might call the obituary:

> The results of the government's deflation policy are to be seen everywhere in the general conditions of Canadian business. The opposition's negative record in this parliament has made it appear that the Liberals would have done no better. Nor is there reason to believe that they will go much further than this government when they do come back into office. Unless the next elections bring a more radical element into the Liberal party, Canada will apparently continue to trail along behind the more enterprising political democracies, where the Liberals are not too conservative to explore new paths.

That, Mr. Speaker, I think would be a good note on which to conclude.

Mr. SPEAKER: The hon. member was not in order in reading a newspaper article referring to a proceeding now before the house, and I suggest that this be struck out of the record; in fact that will be the direction to Hansard.

Mr. WILLIS: With all due deference, Mr. Speaker, I did look up the rule previously and I held the opinion the editorial was just general comment. On several occasions I

have heard similar editorials read in this house. It does not refer to a particular proceeding in this house at this time, but it is merely general comment in regard to it. It does not reflect on the house, any proceedings of the house or any member of the house. While I am a junior member, I know I have heard similar editorials read in this chamber, time and again.

Mr. SPEAKER: If so, it did not establish a precedent.

Mr. BOWMAN: Mr. Speaker, if I have your permission I should like to speak to the point of order. Just prior to the time the hon. member for Souris (Mr. Willis) began speaking we were looking up the procedure, and we found that the thirteenth edition of May does not lay down any rule prohibiting the reading of comments upon the policies of a party. The comments in the editorial read by my hon. friend are comments upon the policies of a party in this House of Commons. It does seem to me that for that reason the hon. member was quite correct in reading from the editorial in question. I make these observations, Mr. Speaker, with all due deference to your ruling.

Mr. SPEAKER: I shall look into the material of the editorial, and if I find any reason for modifying my opinion I shall let the house know.

Mr. A. A. HEAPS (North Winnipeg): Mr. Speaker, my purpose in rising this afternoon to take part in the debate is to answer certain references made by the leader of the opposition (Mr. Mackenzie King) to the group in this corner of the house, to which I have the honour of belonging. A great part of the two hour speech delivered by the right hon. leader of the opposition was taken up with a criticism of the action of the hon. member for Winnipeg North Centre (Mr. Woodsworth) as well as the actions of other hon. members sitting in this section of the house. So, if to-day I devote most of my time to an attempt to answer some of the right hon. gentleman's observations I do so because I am a member of the group to which he referred. He spent so much time criticizing what he considered to be our stand in regard to this bill that perhaps it would be but right and proper that I should answer his observations.

First of all he claimed that the hon. member for Winnipeg North Centre had practically swallowed the Conservative party, because that party had introduced legislation favourable to the C.C.F. Later, he claimed that the government had spread a net into which the hon. member for Winnipeg North Centre and hon. members associated with him had wandered, with the result that at this time they had almost become allied to the Conservative party. However despite the fact that those may be the feelings of the leader of the opposition I believe he is entirely mistaken in the motives he has imputed, which on this occasion will prompt us to support the bill under discussion.

If I had to summarize under three headings the objections which the Liberal leader and—I am not sure about this—perhaps the Liberal party, have to this legislation, I should place them as follows: In the first place they claim that the bill takes away from parliament the rights it possesses and delegates many of its powers to another body over which we may have no control. Then they state the measure is subversive of our judiciary, that it is unconstitutional, and that it destroys the liberty of the subject which was founded on the Magna Charta. With regard to the last contention may I say that the liberty of the British subject was not founded on the Magna Charta, although that document is a milestone in the history of Great Britain. At the time King John was having troubles and disputes with the nobility of Great Britain, the difficulties amounted to only a squabble between the barons of that day and the king. If we want to know something about the fight for liberty of the British subject we have to come to a period much later in British history, to a point nearing the end of the eighteenth century or the beginning of the nineteenth. However, I do not wish to enter at this time into a discussion of that aspect of the matter.

Then, the second objection was to the effect that the measure limits production and trade, and the third objection was to the licensing of industry. I presume if the government would remove those three objections from the bill, quite possibly the official opposition would support it.

Mr. BOWMAN: No danger.

Mr. HEAPS: Then the right hon. gentleman spoke about the unconstitutional aspects of the bill. To me that was a most extraordinary argument. In this bill we have a measure introduced in the usual way in the House of Commons, and one which I presume will in the usual way be passed by parliament. But this bill which has been presented to parliament in the proper manner is branded by the leader of the opposition as unconstitutional. Then, may I go farther. The right hon. gentleman has spoken about the rights of the individual and infringements

upon individual liberty. Perhaps his terms are hardly correct, because the individual has only those rights or liberties which, under the law of the times, are regarded as being in the general interests of the community as a whole. To-day no man in this parliament or outside of it can do anything he pleases. He cannot go out and knock down a man he may meet on the street, he cannot legally steal. Our laws are full of offences which a man must not commit. I say that Canada would be in a state almost amounting to anarchy if we had to carry out to their ultimate conclusion the ideas presented by the leader of the opposition.

Then he urged that an individual has a right to the fruits of his own labour. To a certain extent that may be true. Further, I do not think anything in the act will take away from one's own labour the benefits he may derive from producing commodities for the general well being of the state. But I look at the state of affairs in Canada and ask myself, "What are the fruits of one's labour at the present time." I would suggest that the right hon. leader of the opposition should attend before the Stevens inquiry into price spreads so that he might ascertain what the fruits of one's labour amount to. Farmers have appeared before that committee, and time and again have stated that for the fruits of their labour they are receiving far less by way of monetary return than they actually put into the production of the commodities they have offered for sale.

Then I think of the fruits of the labour of those men and women who work in factories and workshops. Again the evidence before the Stevens committee indicates that in some Canadian factories men are working for as low as ten cents an hour. Women are working in the factories of eastern Canada, and possibly some in the west, for from $2 to $3 per week. Those, Mr. Speaker, are in these days the fruits of one's labour. Then, may I go a little farther? What about the half million unemployed about whom the leader of the opposition spoke in this house not so very long ago? What fruits have they derived from their labours? All they have before them is the opportunity of going around hunting for the elusive job, with probably no prospects of being able to find anything which will earn for them a decent livelihood.

I turn for a moment to discuss an aspect of the objection of the leader of the opposition (Mr. Mackenzie King) in regard to what he termed parliamentary control. May I read this extract from a small handbook issued by the Liberal party in 1921; this is part of the platform of the Liberal party in that year:

> Restoration of the control of the executive by parliament, and of parliament, by the people through a discontinuance of government by order in council and a just franchise and its exercise under free conditions.

I am quite in accord with that sentiment as expressed in that platform of the Liberal party, and would like to see it carried out to its utmost limit. But let us for a moment see how it was carried out during the few years that followed 1921. In 1927 there were given away by orders in council some of the most important natural resources of this country; in that way there was given away practically the Beauharnois enterprise, for without the order in council of the federal government there could have been no development of Beauharnois.

Mr. BOTHWELL: What part of the natural resources of Canada were given away by this government in connection with Beauharnois?

Mr. HEAPS: I am criticizing the actions and attitude of the leader of the opposition. During the major part of his speech he turned towards this corner and criticized it. In the second place he was decrying government by order in council, and I am just trying to find out what his actions were as compared with the principle laid down by the party to which the hon. gentleman belongs.

May I go further? In 1927 there was signed by every hon. member from Manitoba a round robin objecting to giving away to a private corporation the Seven Sisters power development, comprising, I believe, speaking offhand, about one hundred thousand horse power. In spite of the fact that there was the objection of every Liberal member from Manitoba as well as of those in this corner of the house, the then government by order in council actually gave away those natural resources of the country to a private corporation. That is my objection to government by orders in council.

We are told that this measure will take away from parliament control that it already exercises. I am going to argue that it does the very reverse of what the leader of the opposition and my hon. friends of the Liberal party claim it does, for the very obvious reason that at present parliament has no control whatever over the production and distribution even of those commodities which are enumerated in Bill No. 51. If, then, we have no power either to regulate or to control the production and distribution of the com-

modities named in the bill, how can we take away from parliament something that we do not now possess? According to the bill there will be created certain boards, certain commissions, which will have control. Who has control at the present time of this production? It is in the hands of private individuals who have made such an awful mess of the production and distribution of those commodities that to-day it is incumbent upon parliament to do something to bring order out of chaos. We have at present to choose between two alternatives—control or chaos. If we have to choose between those two I choose control and leave the other to my hon. friends to my right. We in this corner of the house want the Canadian people to have control over the industrial and commercial life of the dominion in the same way as they have control over other matters, and I believe the measure now before the house is a step in that direction.

Mr. BOUCHARD: Does the hon. member include agricultural life?

Mr. HEAPS: When I speak of industrial life I regard agriculture as an industry.

Mr. BOUCHARD: What control is there to-day?

Mr. HEAPS: There is to-day no real control in regard to agriculture, and the fact that it is in its present chaotic condition has compelled agriculturists from all parts of the dominion to urge upon this central body, parliament, that something be done to lift them out of the rut in which they now find themselves. If that is not done, may I ask my hon. friends to my immediate right: What is going to be the alternative? Can agriculture continue to exist the way it is being carried on at present? Everybody admits that is almost impossible; therefore there is only one alternative, and that is proper government control and regulation. We have to choose also between government or cabinet and private control as we have it at present, and I will choose government control even though it may delegate some of those powers to a body as yet unnamed. I do not know why my hon. friends to my right are so afraid of a committee or commission that is to be appointed to administer these matters. In fact there is a great deal of confusion of thought in the minds of Liberals on this question; they are confusing the administration of the affairs of the country with the legislative functions of parliament. The party should be able to distinguish between what is legislative and what is administrative. In the administration of such a measure as a marketing act we are compelled to delegate fairly wide powers to a body which has the administration of such legislation under its jurisdiction. We have passed similar laws galore in the house. Even to-day we have handed over to the trustees of the Canadian National Railways enormous powers in connection with the running of the national system. Who objects to that? I remember very well many hon. members on the Liberal side of the house time and time again rising in their places and saying: We are giving and have given to the directors of the national railway system a completely free hand without any interference from the government. Nevertheless the expenditure of that railway is approximately two-thirds of the expenditure of the federal government.

I believe the functions of administration and of legislation should be kept separate. I for one am prepared to entrust to the proper administrative officials of the government power to administer the laws of the country as they should be administered, that is in the most efficient and sympathetic way possible. It is the function of parliament to create the legislative machinery and to see that the laws enacted here are properly carried out by the officials whom we may appoint. Even though we may appoint these boards to function in the way we want, we still do not lose control over them, because each year parliament has a right to inquire into every phase of their activities. May I go further? In every act of parliament that is passed by the house, if we have power to create boards, we have also power to unmake them, so if they are not functioning as we want them to, parliament has the power in its own hands and the remedy if it desires to exercise it.

Further, may I point to the many boards at present functioning in this country with very wide powers? Let me refer, for example, to the workmen's compensation boards that we have throughout the dominion. Throughout all the years that those workmen's compensation acts have been in effect, has any complaint been made in regard to their administration? There are compulsory features in our workmen's compensation laws. The employer is compelled to insure his employees against accident. Another important feature is the fact that these laws take away from the individual the right of appeal to the courts of the country. Have we ever had any complaint from any source whatsoever about the compulsory features of these laws? Have we ever had any complaint about the fact that the individual is denied the right of appeal to the courts? It is the very reverse;

experience has taught us that these laws are in the general interests of the community and of those whom they are intended to protect and benefit. We have other forms of restrictive legislation. We have the minimum wage laws under which the state says to the employers of labour: You shall pay to the individual a certain fixed minimum rate of pay. The employer may object and may think he is being deprived of the opportunity of making a free contract with the individual, but under these laws he is compelled to pay to that individual a certain minimum rate of pay. If he does not pay that rate, very often he is brought before the courts and fined. Certain rights are taken away by administrative action; they are taken away not directly by parliament but by the law which has been enacted by parliament, which is administered by certain officials appointed by the government, and which are regarded as in the country's interest.

There are many laws under which the individual is deprived of what he may regard as his own rights. I cannot go on the streets of Ottawa and drive an automobile unless I have a licence. If I have a licence and drive on the streets I may come to an intersection and find a red light against me. Much as I would like to go past that red light, I am regulated and controlled by the municipal laws and I must stop. I must drive on certain sides of the street. If I do not obey these laws then I may be brought into court and fined. Going beyond that, an individual may commit the whole nation to war without the consent of parliament. This is what happened in 1914. While I do not agree with such action, I am pointing out what is an actual fact. A former government broke off trade relations between this and another country either by order in council or by the act of a cabinet minister. I refer to the action taken in 1927 when the government broke off trade relations with Russia. Parliament had nothing to do with that matter. When a budget is introduced into this house it becomes effective the moment it is delivered. Parliament has no say except to criticize what is already an accomplished fact. The administration of our income tax and excise laws put enormous powers into the hands of the administrators, and yet no objection is raised to the power vested in these officials. This parliament could never become an effective machine for administering the laws of the country. This is why we appoint such boards as the railway commission. Who would ever dream of this house creating a freight structure for the dominion? We have also harbour commissions and many other boards which I would enumerate had I the time.

Objection has been made to the licensing of industries. We do a great deal of licensing at the present time. We grant charters to the banks, to the railways and to the insurance companies. We lease water powers. The amount of licensing done in this country is amazing. Only the other day I received a little manual from the city of Winnipeg which shows the amount of licensing done there. The city of Winnipeg issues 151 different licences to individuals and industries within the city. What applies to the city of Winnipeg applies equally well to practically every other municipality in the dominion. We license abattoirs, hotels, theatres, circuses, taxi drivers and so on.

An hon. MEMBER: And dogs.

Mr. HEAPS: Even dogs, as an hon. member remarked. Under this measure industries are to be licensed by federal rather than municipal authority, and we hear a big complaint made in the house that if this is done it will be the end of everything. I claim that so far as the licensing and control features of the present bill are concerned, they are merely an extension of what has been done in the dominion for many years past.

I should like to leave this aspect of the bill and state why I believe this legislation has become necessary. To-day we are living in a completely different era from that of twenty or thirty years ago. Conditions have changed considerably during the past two or three decades. We are now living in an age of contracting capitalism as compared to the age of expanding capitalism in which we lived a few years ago. It has become necessary for governments to recognize the fact that export markets are not what they were years ago. Each country in the world now finds it comparatively easy to produce goods; all nations want to be more or less on an export basis; most nations cannot find export markets and refuse to accept imports. The result is the piling up of tremendous surpluses of commodities in all parts of the world. So far as industrial and commercial activities are concerned, the nations find themselves in a complete state of chaos. In my humble opinion, this has not been brought about by tariffs. If there were no tariffs I believe that we would still be faced with this great glut of commodities. This condition can be cured by increasing the purchasing power of the great masses of the people which in turn will

have the effect of increasing the consumptive opportunities which are at present denied to them. One of the great problems which governments have to face at the present time is how to deal with this glut. In these days the individual has very little chance against the trusts and the huge combines. I should like to make a short quotation from a very interesting book as follows:

Much of this weakness of liberalism has been due to obsolete historical associations. Liberalism has been too long associated with laissez-faire, a negative and outworn attitude—it must now become positive. The old individualism is meaningless in a world of giant corporations, of ramifying combinations, and of national economic systems. It spells no longer either liberty or strength or social welfare. In practice liberalism has broken away from these old formulas, has in truth helped to demolish them, but in doctrine it has never fully emancipated itself. That is seen, for example, in the history of English Liberalism. English statesmen from the time of Gladstone have been apt to use old slogans for new policies as though the measures of national conservation, insurance and protection, which they introduced, were merely a continuation of the old Factory Acts. When they did not use the language of tradition, like Asquith, they used that of opportunism, like Lloyd George. The Fabians did in the name of socialism what should be done in the name of liberalism. They formulated principles and decisive doctrines and showed their application. On this side of the Atlantic liberalism has been still less expressive. In a period of expanding populations and developing resources, in a period when the law of unearned increment triumphed over the law of diminishing returns, there was no great incentive to such expression. But now the situation has changed and the necessity has arisen; liberalism must rise with it.

An hon. MEMBER: What is the hon. gentleman reading from?

Mr. HEAPS: I will tell you in a moment. It goes on to say:

Those so-called Liberals who refuse to advance one step should go where they belong. They have no business in the Liberal party. They should join their natural associates, the Conservatives.

I have been quoting from a book entitled The Liberal Way, published in September, 1933, and I have been giving the views of Professor MacIver, who is very well known to Liberals of this house—as my hon. friend from Bow River (Mr. Garland) says, one of their brain trust.

Mr. YOUNG: We don't keep a brain trust.

Mr. GARLAND (Bow River): No, that is clear.

Mr. WILLIS: The writer is mistaken in one detail only.

[Mr. Heaps.]

Mr. HEAPS: Let me go further and quote from the same book, The Liberal Way:

A study of the politics of most countries will show one problem at least which they have in common—the effort to relate economic activity to government.

That is the very reverse of what the present Liberal party are doing in this house. The leader of the opposition objects to this bill because, he claims, it will increase the functions of government, and so long as the Liberal party object to increasing the functions of government they must naturally be opposed to any marketing bill, whether it be this or any other. To proceed with the quotation:

We have already acquired a useful perspective in this matter: we need not wait for the historians of the future to tell us that the last generation is marked chiefly by the struggle—not over yet—between two functions—politics and economics. In the nineteenth century there was little risk of a clash between the two. Politics left economic activity largely in private hands and was concerned with other things. But gradually the state has been forced to turn its attention to the economic field. Economics, in fact, has wooed politics now for decades, endeavouring with difficulty to break down an habitual indifference. Early approaches took place in England when the great program of social legislation was launched before the war. The process has been more than one of "wooing" in other countries. There has been a forced marriage between economics and politics in Russia. In the United States, since the new administration has assumed office, it is clear that a new form of alliance between these two is probable.

How totally different this is from the attitude of the Liberal party towards this bill—and here I have been quoting from the preface to the book, written by the Hon. Vincent Massey. I will let his statement, as it appears in the book, stand side by side with the declaration of the Liberal party in this house. It will have been observed that the final statement of Mr. Vincent Massey has reference to what was happening in the United States and, strange as it may seem, although the opposition to-day claim that they are opposed to increasing the functions of government—that can be found in the remarks of the leader of the opposition—in another booklet published by the Liberal party entitled Industry and Humanity, circulated by the National Liberal Federation of Canada, they are practically taking the whole credit for the N.R.A. in the United States. If the opposition want to take credit for the N.R.A. in the United States I suggest that they read this particular pamphlet—I have not the time now to quote from it—because in that country the functions of state

are being increased enormously, more than anything that is contained in the legislation introduced by the present government. On the one hand we have the Liberal party saying that they are totally opposed to increasing the functions of the state, while on the other hand they distribute hundreds of thousands of pieces of literature throughout the country, trying to link up the Liberal party here with the N.R.A. in the United States, virtually declaring that the party is the father of what is taking place there. It is difficult to know which of the two to choose.

Perhaps I might say a word with reference to what is taking place in the United States. At times I have expressed a great deal of sympathy with as well as admiration for the way in which the President of the United States is attempting to deal with the problems with which that country is faced. At least he is making an effort to get his country out of the economic chaos in which it finds itself at the present time. I am not however so hopeful of success as perhaps a good many people are, for in the United States they are attempting to carry on two different forms of economic principles within the confines of the country. They are trying to build up a great cooperative system within the competitive system, and sooner or later one must give way to the other; either the cooperative effort must triumph over the competitive or the competitive must triumph over the cooperative. Which will ultimately triumph I am not in a position to say, but it appears to me at present that the old order may prevail in the end over the cooperative efforts that are now being made.

I wanted to have a few words to say with regard to the Liberal amendment which has been submitted as an alternative to the bill now before us. I have had some difficulty in getting at the meaning of the Liberal amendment. Though it has been ruled out of order, I think it is well worth while my quoting a few words of it. My knowledge of the English language may not be as perfect as I should like it to be, and therefore it is difficult for me to interpret the meaning of the amendment, which reads:

> This house, while prepared to support legislation for assisting the orderly marketing of natural products, is unalterably opposed to the enactment of any compulsory measure which delegates to unnamed and undetermined individuals, groups or organizations, sweeping powers over the production and trade and commerce of the nation. . . .

I am wondering, if the names of those who are to have the powers in question were inserted in the bill, whether the Liberal party would support this legislation. Or, on the other hand, am I to infer from this that they are totally opposed to any form of market control or to the compulsory features of the bill? I am inclined to think it was an amendment designed to be capable of interpretation according to the wishes of those who interpreted it. It really had no particular meaning, but was facing both ways. There has been a great deal of talk about the magna charta of almost one thousand years ago, which no doubt in its own time served a very useful purpose. But I think the time has come when there ought to be a new magna charta, not for the barons as of old but for the common people of the Dominion of Canada. That magna charta is long overdue. When we see conditions in this country as they were just a couple of months ago, with about one and a quarter million people on relief; when we find that at the present time there are approximately half a million people out of work, it surely is time we gave to that vast number of our people some real hope that the future is going to be a little brighter than the past has been. To-day there is in this country very little of that economic freedom which my hon. friends to my right say we possess. What economic freedom is there for the mass of the people? Is it the freedom for that half million to go and look for a job which does not exist? Is it the freedom for that one and a quarter million to obtain their daily relief from the public authorities? Is it that freedom which the small storekeeper has, who from month to month can hardly keep his head above water?

I think the time must come when this parliament has got to take cognizance of these conditions. We cannot do anything by adopting that ostrich-like attitude of digging our heads into the sand and attempting not to see what is going on all around us. The whole commercial and industrial life of Canada is in a state of chaos, and if we are going to get out of the chaotic condition in which we find ourselves there is only one body in this dominion that can set about it with any effectiveness. We cannot leave it to private enterprise; if private enterprise could get us out of the present rut it would have done it long ago, because it is not to the advantage of private enterprise to have conditions continue as they are. Therefore there is only one authority capable of doing anything, and that is the state. At last the government of this country, representing the whole dominion, have decided to take hold of and control the situation in regard to one very important

aspect of our national life. They have decided to assume control of and to regulate the marketing of the products of agriculture, of the field and of the forest. Because I believe that the step the government have taken, speaking in a general way, is in the right direction, I intend to vote for this measure. While I intend to vote for it, I am also in favour of submitting the bill to the agriculture committee, where certain features of it may be thoroughly explored, where we may have before us expert opinion, as is not possible before a committee of the whole house. After the bill has received second reading, I hope it may go to that committee for that full and open deliberation which may perhaps lead to improvements in respect to certain details of the measure.

Mr. SPEAKER: When the hon. member for Souris (Mr. Willis) was addressing the house he quoted from a newspaper. I said that in my opinion it was not in accordance with the rules of the house to do so. I have since examined the article he quoted, and I find that he was quite within his rights.

Mr. E. E. PERLEY (Qu'Appelle): The natural products marketing bill that we are now considering has been so well received in the country, and particularly in that part of the province of Saskatchewan that I have the honour to serve, that I hardly thought it would be necessary for me to say anything upon the bill at this time. But after listening to some hon. members opposite, particularly those from that province who spoke, labouring long and hard to place a wrong interpretation upon this bill and to show that the people of Saskatchewan are not behind it, I think it necessary for me to say a few words, and to inform the house that the reports I am getting from Saskatchewan—and I am receiving letters daily—are to the effect that it has been very favourably received there.

The hon. member for Souris (Mr. Willis) covered the ground so thoroughly in his review of the events leading up to the framing of this bill and its introduction in the house that it is hardly necessary for me to say anything in that respect. I might just add that all the organizations he quoted,—the pool, the cooperative organizations, and even the grain trade in western Canada,—are favouring and supporting this bill. I have talked with many of the heads and representatives of these organizations and they have so expressed themselves to me.

There are, I think, certain features that we can agree on. From the discussion I think it is quite evident that we agree on the main

[Mr. Heaps.]

principles of the bill. I think we are agreed that markets for the primary products are what we need, and that such markets shall be stable, orderly and regulated. The bill before the house is designed to secure that, to regulate in an orderly way the flow of primary products into whatever markets we may have, whether domestic or export. So that the main principles of the bill have been agreed upon, I need only deal with the matter in a general way.

The right hon. leader of the opposition (Mr. Mackenzie King) and many of the hon. members behind him, particularly those from the west, in trying to put a wrong interpretation on the bill or speaking with respect to the regulations and the powers that the boards may have, have gone far afield to get an argument. They have been setting up men of straw in order to knock them down. We have heard the criticism that there is restriction. I say that in this bill there is no restriction of production as they have tried to make out. All governments have to pass regulatory acts; many such could be cited. I think the Minister of Trade and Commerce (Mr. Stevens) cited many acts that this parliament has passed which are regulating acts. Certainly all countries have passed acts for the regulation of trade and commerce. We could even quote the empire agreements passed in this house. Certain regulations were set up with respect to quotas and the marketing of our products, and in regard to imports and exports. Then we have, as already cited in this debate, France, Germany, Italy, Japan, Mexico, and many European countries all putting up tariffs, giving bonuses to their producers, and regulating and assisting their trade. This has not taken place only since 1930, or since this government came into office, but goes back even to 1927, 1925 and 1923, it started under the regime of the late government. The reason why the foreign governments to which I have referred took these steps I am not going to discuss. On hundreds of occasions in this house we have heard the reasons given. I do not care whether it was because of fear or because they wished to become self-sustaining; I do not care who is to blame because these countries took certain steps by way of setting up tariffs and restricting trade. What I am concerned with is the fact that a situation is facing this country and this government with respect to marketing. Everyone knows that to-day it is more difficult to market our primary products than it ever has been, due to the circumstances I have mentioned, and everyone knows that a small percentage of our products regulates

the price at which the remainder is sold. I think the times warrant a change in our system. The world has changed, particularly with regard to international trade; we have quotas, bonuses, tariffs and so on. We must not sit still and do nothing, as hon. gentlemen opposite did when they were in office; the marketing of our primary products and the protection of our producers in order to see that they get fair prices are problems which must be dealt with.

It has been stated that this act is socialistic or radical in its nature. I do not care what may be said with respect to the act or the party that has introduced it; I say it is plain that the Conservative party intend to take such action as they think will be of some benefit to the producers of this country. Mass production has brought about many difficulties and is perhaps the greatest single reason for this act, and I think the evidence that has been given before the committee investigating price spreads and mass buying proves conclusively that it is time we took some action. The other day I attended a meeting of that committee and heard evidence to the effect that from three to five per cent of the cattle coming to the Toronto market regulates the price for the remaining ninety-five or ninety-seven per cent. Under this act the board that will be set up will have power to go on that market and take away the surplus and do as they see fit with it. They may dump it into lake Ontario; they may export it at a loss; they may turn it back to the vat and make fertilizer out of it, and the loss will be made good from the consolidated revenue fund of this dominion. Similar evidence has been brought out with regard to our poultry, our fruit and our dairy products. When the minister introduced this bill he told us what happened last fall and winter with regard to dairy products; he stated that a very small percentage of our primary products regulates the price of the remainder of the products which are consumed at home. Under this act that situation can be dealt with.

Now let us consider the bill. In my opinion it has three underlying principles. The first is the power to create boards to regulate and handle the primary products. In other words, in cooperation with the producers these boards will give the producers some say in the selling of their goods and the carrying on of their own business. In the second place the bill provides for the cooperation of provincial authorities or boards with the federal authority or board so that the producer shall not be exploited and prices manipulated to his disadvantage. In other words, enabling legislation is to be passed by the provinces which will allow these boards to work together so that the producer may not be exploited. In the third place the bill gives power to investigate and regulate, and there is provision that any loss sustained may be made good from the revenues of this country.

The real purpose of the bill, Mr. Speaker, is to make it possible for the primary producers to receive fair remuneration for their products so that they may obtain a decent living and a profit as a result of their labour. In other words it will lay the corner stone of a new foundation for agriculture. Speaking in Regina on October 19, 1930, the hon. member for Melville (Mr. Motherwell) said that a new foundation had to be laid for agriculture if the country was to be saved, and I think this bill is the cornerstone of that foundation. Yesterday the hon. member for Melville quoted a speech which he delivered in this house on May 13, 1932, in which he dealt with the condition of agriculture and said there had to be practically a new start made. In that speech the hon. gentleman advocated something in the nature of this bill, and I want to congratulate the hon. member for the stand he has taken. He has been fair and reasonable on this occasion, and I think perhaps on many other occasions he has tried to be fair when we did not give him credit for it. The hon. member is going to support the second reading of this bill, and the objections he has taken to it are of a minor nature which may be overcome when we are in committee. I commend the hon. gentleman for having taken his stand in opposition to his leader.

It is very amusing, Mr. Speaker, to hear the opposition speak so glibly of wider markets. I make the statement, which I do not think can be challenegd, that no government ever did less to secure new markets or hold existing markets, or to take appropriate steps when they saw markets slipping away—as hon. gentlemen opposite must have seen from 1921 to 1930—than the government headed by the right hon. leader of the opposition, this champion of wider markets. I have before me a list of agricultural products that we export to the United States, which will be found at page 454 of the Commercial Intelligence Journal of March 24 of this year. In the first column are set out forty-three commodities; in the last three columns are shown the tariffs on those commodities entering the United States. In the third to the last column are the rates in the year 1921 on forty-three articles, twenty-five of which were on the free list. In the second

column to the last we have the rates imposed by the United States in 1930, after nine years of Liberal regime. What do we find? Of the twenty-five articles we find not one article on the free list, and in connection with the other eighteen articles which in 1921 carried minor or small tariffs, the increases are in some cases from 100 per cent to 200 per cent. That is what the Liberal party saw happening to our export trade in primary products during those years.

Last night the hon. member for Vegreville (Mr. Luchkovich) reviewed the results of the Fordney-McCumber tariff of 1923 and the Hawley-Smoot tariff of 1929. What action did the Liberal government take which could be considered retaliatory? They did nothing not even a protest. We have the record of the speech of the right hon. leader of the opposition delivered in 1929, at a time when he was in power, to the effect that he did not propose to take any action for fear of retaliatory action on the part of the United States. I could place on Hansard, further, a list of commodities entering Canada. These figures are very interesting because there are several items in the list showing an increase in the tariffs imposed by the government of that day. If we review the records respecting the percentage of goods entering Canada free of duty we find that to-day we have a greater percentage of goods entering Canada free of duty than we had at any time during the last twenty years.

The opposition opposed the United Kingdom agreements. When the agreements were under discussion the right hon. leader of the opposition said that if returned to power he would repeal the agreements, and would not be bound by them. But the people of Canada know very well what the agreements have meant to them. During the first six months after this house passed the agreements and they became operative, the people were naturally a little leary of them. They had been listening to and reading the arguments presented by the opposition. To-day, however, after more than a year's operation we find that the Canadian people know full well what the agreements mean to them, and that they have meant a great increase in our trade with the United Kingdom.

The leader of the opposition made the statement that the marketing legislation would contract rather than expand trade. He said that was happening to-day. Well, it is but a further illustration of the old saying that there is no one so blind as the man who will not see. That would apply with respect to the right hon. gentleman's statement. I have in my hand a record of some observations made by hon. members opposite, and particularly by the leader of the opposition, at the time of the debate on the United Kingdom agreements, and I shall refer to one or two of them. The right hon. gentleman declared the imperial treaties to be a tariff wall around the empire, to be a Tory conspiracy and for that reason undeserving of support from anywhere. While the leader of the opposition was taking that stand the hon. member for Melville (Mr. Motherwell), at page 352 of Hansard for 1932-33, declared that the government had swiped the Liberal policy in broad daylight. Although his leader had just said that the trade treaties were a Tory conspiracy, when the vote came the hon. member for Melvile voted with his leader. I could refer to other statements made by hon. members opposite in that debate. However, at this time to prove that they were wrong I shall place on record some figures showing the increase in our trade under the agreements during the eleven months between April 1, 1933, and March 1, 1934. In that period, as compared with the same period in the preceding year, our exports to the countries enumerated increased in the following percentages:

	Per cent
British Empire countries	21
United Kingdom	20
Australia	54
British South Africa	61
British India	44

At the same time we had a very material increase in our export trade with several foreign countries. In fact, in the month of February last compared with the month of February, 1933, we had an average increase of 51 per cent. Hon. members opposite have offered criticism with regard to our volume of exports and imports, but I am pleased to give further figures showing the import trade for 1933 as compared with the same period in 1934. The increases from the countries indicated are as follows:

	Per cent
Foreign countries	41
United States	43
China	31
Japan	39
Germany	51
British Empire	45
United Kingdom	41
British India	114
Australia	182
New Zealand	102

There can be no doubt that the Prime Minister of Canada and his government are endeavouring to solve our problems and to obtain wider markets. They are endeavour-

ing to see that the primary producers obtain markets for their products. Agriculture is the greatest industry in Canada. It is the one industry which each year produces more new wealth than any other industry. As I have indicated, our government is making an honest effort to do something in that regard. Certainly we are not standing still. I should like hon. members to compare the statement I have just made with the report from the Liberal summer school held last summer at, I believe, Port Hope. I have before me a record which came through the press indicating that after discussing this problem of wider markets, at a time when the leader of the opposition was present, the summer school admitted that Liberals could suggest no method of improving our market position. When a party gets to that state it no longer deserves the support of its members.

During the last two years we have learned two things in particular: First, we have learned that the world, and particularly the United Kingdom, can consume only certain quantities of our primary products. That quantity is less than it has ever been before. We have also learned the quality of the products they require. May I say that the measure before the house proposes to regulate both as to quantity and quality. Hon. members have pointed out, and the hon. member for Souris (Mr. Willis) made it very clear to-day that under this measure there is no compulsion or no danger of interference with the rights or liberties of producers. Under this measure, when the minister is satisfied that a reasonable majority of producers of any one product have signified their intention of being organized and brought under this measure, the minister may provide for the set-up of a board. I do not think the farmers or other primary producers are worrying very much about parliament taking away any rights or liberties from them when that is done. We must trust our ministers, no matter of what shade of politics they may be. I am sure any minister taken into any government that might be formed in the future would do his best and could be trusted when the situation arose to do the right thing with respect to the primary producers.

As regards wheat, the machinery is practically set up already. We know what has been taking place and wheat may come in under this legislation or it may not. I have no particular reason to believe it will not and I would be satisfied whether it came in or not because I believe it could be properly handled in any event. But the machinery is set up under the Canada Wheat Board Act that was passed in 1922. The hon. member for Regina (Mr. Turnbull) gave the details with respect to that and he outlined the powers given to the board set up under that act, greater powers than are given by any part of this measure to a board. It is peculiar that at that time the rights of parliament were not considered to be in danger; there was no question about that then, and it was amusing to note the position taken on that occasion that it was all right to do certain things and to give powers to that board without infringing on the rights of parliament. As a matter of fact it was set out in that act that the government might—not by parliament—but by order in council extend the term of that legislation and, as I say, there was no question then about the rights of parliament being in danger.

The hon. member for South Battleford (Mr. Vallance) quoted from a letter which appeared in the Manchester Guardian. As I understand the matter, this article was cut out of that journal and sent to him by the Scottish Cooperative Wholesale Society of Great Britain. It made certain references to the government of Canada and to Mr. McFarland with respect to their operations in supporting the wheat market. No doubt the Scottish Cooperative Wholesale Society would like to get some cheap wheat. I would ask the hon. member whether he thinks the reading of that article at this particular time serves any useful purpose. The hon. member knows the situation as well as any other hon. member and in fact better than most because I believe to some extent he has been taken in the confidence of the government with respect to supporting the wheat market. But it was very inconsistent on his part to bring up that question because we know his record and his action with respect to what happened in the committee when Mr. McFarland appeared before it. We also know what the hon. member stated in the house the evening following Mr. McFarland's appearance before the committee, when my hon. friend practically suggested, as he did in quoting the article, that there was something wrong with the operations as conducted by Mr. McFarland. I say that the hon. member's stand on those two occasions is certainly not consistent.

I should like to quote some figures with regard to the importations of wheat into Great Britain. In February last Great Britain imported from all countries 7,566,000 bushels of wheat and from Canada 3,100,000 bushels,

or practically fifty per cent. That shows that we are getting a fair amount of her trade and that Great Britain is dealing fairly with us in that respect.

I note also that the hon. member for Shelburne-Yarmouth (Mr. Ralston), when speaking the other day on the budget, referred to the wheat business. I think he made a mistake on that occasion; it was not right for him to make the statement he did in the house with respect to the amount involved and so forth for which the government might be liable in connection with the wheat transaction, because he was present in the committee when Mr. McFarland gave his evidence and he heard Mr. McFarland state that during the period he had been in charge they had handled one billion bushels of grain and he thought they had made a possible saving to the farmers of 20 cents or at least 10 cents a bushel. What does that mean? If Mr. McFarland has accomplished that they could take all the wheat they are handling at the present time and dump it in the lake and the farmers of western Canada would still be ahead of the game.

With respect to the quotation from the Manchester Guardian made by the hon. member for South Battleford I want to ask just this question: What is the Manchester Guardian? It is anti-British government; it is certainly anti-Canadian government. One could almost say that it was anti-British. There are in Great Britain a hundred journals that the hon. member can quote in the house if he likes, that will favour and support the action of the British government and that of this government with respect to the wheat business. Why is it that on many occasions we have heard quotations made in the house from the Manchester Guardian when hon. members could find other journals that would say just the opposite? The situation is this: When the hon. member made his speech and gave that quotation, it could be reported in the Regina Leader or the Winnipeg Free Press, which is certainly anti-government. That quotation could be cut out and sent to some friend in the old country who could read it on an occasion similar to that which we had the other night, as purporting to speak for the Canadian people and the Canadian government. That is what happened here the other night, but the journal from which the hon. member quoted does not speak for the British people.

The hon. member also cited a case where he might have forty bushels per acre to market. I only hope the hon. member for South Battleford and all the other members from Saskatchewan who are interested in farming will have forty bushels to the acre. I should be only too pleased if they could have such climatic conditions as would give them forty bushels to the acre. He said: "Suppose of those forty bushels I could sell only seventeen or twenty under the act, what would be the situation?" Let me answer him by asking a question. Which would be the better position—to be able to sell for a reasonable price say 60 to 70 cents per bushel seventeen or twenty bushels of the forty, or to sell the forty bushels at twenty cents a bushel, or practically not be able to sell any at all?—because that is what might happen.

I do not consider, that so far, a sound or reasonable argument has been presented against this bill. It seems to me that the opposition have been sent out to do an unpleasant job, to oppose for the sake of opposition, with instructions to go far afield in securing an argument. The whip has cracked, so to speak, and they are sent out to do this job. The leader of the opposition gave them a good lead when he made his speech during the debate. He employed the Magna Charta and Green's history to show that our constitution and the rights of parliament were in danger. I do not care, nor do the farmers of Canada care very much about the constitution or the rights of parliament, but they are concerned about markets and prices. When the right hon. gentleman advances that argument about the constitution, it is interesting to me to note that not on any occasion have they ever made a suggestion or charge that under any act that has been passed by this parliament has the constitution been affected in any way or have the rights given to this government been abused; the rights of parliament have never been affected. I wonder how much of the time of parliament has been taken up during the last four years and how many pages of Hansard have been covered by the discussion by the leader of the opposition (Mr. Mackenzie King) and other hon. members opposite of constitutional matters and the rights of parliament. I am sure the people of Canada would be interested in that information. It is all so much ballyhoo.

What the farmer is worrying about is the prices he will receive for his agricultural products. He wants markets and the chance to make a profit in the sale of his primary products. That is what we propose to give him by this bill. This bill is only another evidence of what this government is trying to do and has always tried to do for the primary pro-

ducer. I think the best argument in favour of this bill is the fact that opposition members are opposing it. They have opposed every measure which has been brought down in the interests of the primary producer. Another argument in favour of this bill is the fact that it will be of great benefit to the producer.

I suggest to the opposition that they give reasonable support to this bill. The people of Canada are anxious that something should be done in this critical time when the world is faced with the greatest difficulties. Canada is marketing her goods under the greatest difficulties and I know the people would appreciate it if we got behind this bill. I do not believe there is an hon. member opposite who will dare vote against it. I think the people would be glad if we stopped this ballyhoo about constitutional rights and passed the bill, which I propose to support.

On motion of Mr. Casgrain the debate was adjourned.

At six o'clock the house adjourned without question put, pursuant to standing order.

Thursday, April 26, 1934

The house met at three o'clock.

BANKING AND COMMERCE

Fourth report of the select standing committee on banking and commerce.—Mr. Hanson (York-Sunbury).

DOMINION COMPANIES ACT

Hon. C. H. CAHAN (Secretary of State) moved for leave to introduce Bill No. 64 respecting Dominion Companies.

Some hon. MEMBERS: Explain.

Mr. CAHAN: Mr. Speaker, this bill is a revision of the existing Companies Act and also of the Companies (Clauses) Act, with some modifications of the general statutes which were formerly parts 4 and 5 of the present Companies Act.

In the first place the Companies Act at present existing deals with companies with share capital as well as corporations without share capital. It is proposed to divide the provisions of the existing Companies Act into two parts, the first dealing exclusively with companies with share capital and the second with corporations without share capital, which carry on their operations without pecuniary gain. It has been found that joining the two together has led to mistakes through misapprehension as to which sections should apply to these two very different classes of companies. Then the present part 2, which is really an enactment of the old Companies (Clauses) Act, and which contains provisions applicable to companies incorporated by private statute of this parliament, has been made part 3; it was formerly in part 2. The other parts of the act are general.

Upon careful consideration of this bill I do not think it will prove to be one for discussion from a party point of view or really from a political point of view. The bill contains very stringent provisions with regard to the auditing of the accounts of companies and the publication of such audited accounts. The bill also contains very strict and stringent provisions with regard to the issue of prospectuses by companies or by underwriters on behalf of companies. In fact it has seemed to me at times that these provisions are perhaps too strict having regard to the conditions which prevail at the present time. They are so much more strict and stringent than the provisions of the provincial companies acts that if this act is adopted I think it may result in a very serious diminution in revenue for the consolidated fund, because until provincial acts are amended or modified in like manner many applicants for charters certainly will go to the provincial authorities rather than to the dominion authority. The provisions with regard to auditing and the issuing of prospectuses are more stringent in this bill than in any other act in any British country at the present time. I make that statement with confidence, after having examined most of such acts. Therefore I trust this bill will receive the careful consideration of hon. members of the house before it is dealt with by the committee of the whole.

Mr. HANSON (York-Sunbury): Is there any provision in the bill with respect to the restriction of the issue of securities?

Mr. CAHAN: Certainly; first the provisions with regard to the report of the auditors are very stringent, and in the second place the company's securities can be issued and sold only by means of prospectuses issued by the company or by its underwriters under provisions which are very stringent indeed.

Motion agreed to and bill read the first time.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

*DOMINION LOANS

Mr. GIROUARD:

What is the total amount of the loans contracted by the dominion government from August 15, 1930, to March 31, 1934?

Mr. RHODES: This information will be found in complete detail in the budget speech of this year, to which I would refer my hon. friend.

PENSIONS CUT OFF AND RESTORED

Mr. MITCHELL:

1. How many pensioners were cut off from February 1, 1933, until the order to restore them was issued?

2. Have they all been restored?

3. How many pensions were cut off between January 25, 1933, and February 1, 1933?

Mr. MacLAREN:

1. 1,003.

2. Pension has been restored, or is in process of restoration, in all cases to which the order in question applies.

3. Information is not available as daily records are not kept.

LAKE AYLMER, DISRAELI, QUE., BRIDGE

Mr. ROBERGE:

1. Did the dominion government contribute to the cost of construction of the bridge erected in 1933 by Mr. Poudrier, on lake Aylmer, at Disraeil?

2. If so, what was the amount so contributed?

Mr. STEWART (Leeds):

1. and 2. The dominion government in its relief measures does not deal with individuals but only with provinces and, consequently, would have no information regarding such a contract with Mr. Poudrier.

THREE RIVERS, QUE., UNEMPLOYMENT RELIEF

Mr. BOURGEOIS:

1. From December 11, 1933, to March 31, 1934, how much did the government of the province of Quebec claim from the Department of Labour on account of direct relief for the city of Three Rivers?

2. How much of it has been paid?

3. Is there any amount still outstanding, and why?

[Mr. Cahan.]

Mr. STEWART (Leeds):

1. $61,363.39.

2. $60,709.16.

3. There are at present in the Department of Labour accounts amounting to $654.23, payment of which has been recommended to the governor in council.

UNEMPLOYMENT RELIEF INSPECTORS

Mr. BOULANGER:

1. Was a reply sent to the following telegram:—

"Canadian National Telegram
OA 45-16 Collect
St. Joseph d'Alma, Que., 18 1020A
1932 July 18 A.M. 9.44
Henry Hereford
Commissioner unemployment relief
Ottawa Ont.

Hear federal inspectors will be accompanied by provincial inspectors. In what group will the honest people be.

Dr. L. Duguay, M.P.?"

2. If so, what was the nature of the reply?

3. Was the commissioner of unemployment relief able to tell the member for Lake St. John who were the honest inspectors and who were the dishonest inspectors?

Mr. STEWART (Leeds):

1. Yes.

2 and 3. The commissioner's reply is included in the same sessional paper as the telegram referred to; however, a copy is attached hereto, together with translation thereof which was sent to Dr. Duguay.

Ottawa, July 19, 1932.

Dr. L. Duguay, M.P.,
St. Joseph d'Alma,
Quebec.

Dear Dr. Duguay:

I am in receipt of your collect telegram of July 18th as follows:

"Am informed that federal inspectors will be accompanied by provincial inspectors. In what group will be found the honest people?"

In reply I beg to inform you that the inspectors of this branch act independently of any provincial inspectors. There are occasions when, as result of requests from this department, the provincial representative may visit a location at the same time for the purpose of producing documents which are in the possession of the province.

Your information that federal inspectors are accompanied by provincial inspectors, as you will see, in essence is not correct although it is quite conceivable that these men may even arrive at the same time. You may rest assured that the federal interests are being taken care of in the proper manner.

Yours truly,

Harry Hereford,
Commissioner.

(Traduction)

L'Assistance Fédérale Contre Le Chômage

Ottawa, le 19 juillet 1932.

Dr. L. Duguay, M.P.,
St-Joseph d'Alma,
Comté Lac St-Jean,
P.Q.

Cher docteur Duguay,

J'accuse réception de votre dépêche du 18 juillet, expédiée port dû, telle que suit:

"Apprends qu'inspecteurs fédéraux seront accompagnés d'inspecteurs provinciaux dans quel groupe se trouveront les honnêtes gens?"

En réponse, je dois vous informer que les inspecteurs de ce ministère agissent indépendamment de tout inspecteur provincial. Il arrive quelques fois que, comme résultant de demandes faites par ce département, le représentant provincial peut visiter une localité en même temps, aux fins d'obtenir des documents qui sont en la possession de la province.

Votre information que les inspecteurs fédédraux sont accompagnés d'inspecteurs provinciaux, comme vous le constaterez, n'est jusqu'à un certain point pas exacte, bien qu'il soit très concevable que ces hommes puissent même arriver en même temps. Vous pouvez être certain que les intérêts fédéraux sont efficacement protégés.

Veuillez agréer, monsieur, l'expression de mes sentiments les meilleurs.

Bien à vous,

Harry Hereford,
Commissaire.

DISRAELI, QUE., BRIDGE

Mr. LAFLECHE:

1. Was the dominion government prepared to contribute $1,750 towards repairs to the Disraeli bridge on lake Aylmer, in 1933-34?

2. Did the provincial government of Quebec make such a request?

3. If so, on what date?

Mr. STEWART (Leeds):

1. Yes.

2 and 3. On September 19, 1933, the province submitted to the dominion for approval a program of bridge construction proposed to be carried out by the province as a relief measure included in which was an item reading as follows:

County of Wolfe,

Municipality of Disraeli, Aylmer lake

Reinforced concrete slab on steel beams. Concrete abutments. One span.

Number of unemployed, 35.

Working days, 3,500.

Date of completion, 31/3/34.

Estimated total cost, $8,800 including approaches, $500.

Estimated manual labour, $4,000.

Proportion to be paid by the dominion, $1,750.

However, as the agreement entered into between the dominion and the province respecting relief measures did not provide for dominion contributions towards the construction of bridges of the nature contemplated in the province's proposal, dated September 19, it was deemed necessary that a separate agreement be entered into in this respect. A supplementary agreement was consequently prepared, approved by the governor in council, signed on behalf of the dominion by the Hon. W. A. Gordon, Minister of Labour, and transmitted to the province for completion. This agreement, however, was never signed by the province.

HIGH COMMISSIONER FOR CANADA

INQUIRY AS TO RUMOURED APPLICATION FOR LEAVE OF ABSENCE

On the orders of the day:

Mr. F. G. SANDERSON (South Perth): Mr. Speaker, I should like to direct a question to the Prime Minister. There is a persistent rumour throughout the province of Ontario, in the city of Toronto and even in the corridors of this building, that the High Commissioner for Canada in London, the Hon. G. Howard Ferguson, has asked for leave of absence to come to Ontario somewhat earlier this summer. The assumption is of course that the request has been made so that he might be in a position to participate in the provincial election, if and when it is called.

Mr. SPEAKER: Order. If the hon. member has a question he must proceed to ask it.

Mr. SANDERSON: I am proceeding to ask it. I should like to ask the Prime Minister if the High Commissioner has asked for leave of absence somewhat earlier this year than last year?

Right Hon. R. B. BENNETT (Prime Minister): The first intimation I had about the rumours to which the hon. gentleman refers was in the statement which he made. No application for leave has been received from the High Commissioner.

MARKETING ACT

ORGANIZATION TO IMPROVE METHODS AND PRACTICES IN MARKETING NATURAL PRODUCTS

The house resumed from Wednesday, April 25, consideration of the motion of Mr. Weir

(Melfort) for the second reading of Bill No. 51, to improve the methods and practices of marketing of natural products in Canada and in export trade, and to make further provisions in connection therewith.

Mr. PIERRE F. CASGRAIN (Charlevoix-Saguenay) (Translation): Mr. Speaker, apparently, we are passing through a period of schemes and systems generally known as plans or planning. We have but to read the newspapers and reviews to find all kinds of economic reforms advocated by so called learned men, economists and governments. We find an example in the Republic to the south of us with its NRA and various systems. Every one has a new scheme to end the crisis or depression. Perhaps, some day, the right system will be found. It is to be desired. I do not think, however, that the government by its bill No. 51 submitted to us, has discovered the real remedy. The people at the next election, will be given an opportunity to choose between facism, socialism and democracy. Among all the systems proposed, I still prefer democracy. We cannot further try out all kinds of expedients and systems or be satisfied with a policy of evasion or hesitation as the one adopted since four years. Democracy will have to be founded in the future on an economic regime so as to insure the material needs of humanity.

Man has always been an individualist. Society has taught him to organize. Thus we have been given definite working hours, scales of fixed wages, the regulation of work for women and children, etc. In all cases society has always kept in mind the protection of the individual's liberty. That is what has been left out in the bill under consideration. What is lacking to-day, is a fair distribution of wealth. Wealth is in the hands of a few only. The great evil is that its distribution is not proportionate to our requirements.

In the United States an effort is being made to remedy this state of things; a greater demand is sought from the consumer by enhancing his purchasing power. I do not think that to attain such an end, production must be curtailed or limited. It should be increased so as to satisfy the requirements of all. We are suffering from too great an abundance, the result of an unwise distribution.

[Mr. Bennett.]

Does the bill introduced, at present, by the government solve these problems, while safeguarding the individual's liberty? I do not think so. The title is a long one: "An Act to improve the methods and practices of marketing of national products in Canada and in export trade, and to make further provision in connection therewith." I wonder whether the results will be as slow in coming as the government was in introducing this bill. I prefer the title given to it somewhere: Natural Products Marketing Board. I, moreover, prefer the title to the bill itself. The bill is very elaborate and so is the title. As I stated the government was slow in submitting this bill. Were I to criticize the government I would state that it is four years late. I fear that it is a still-born infant, that the government will never put into force, and even if it is explained to the people, especially in our province, they will not put any faith in it. I do not think that the results expected will even be realized, because the provisions of the bill are of a nature to harm the farming class rather than benefit it.

In four years the government has amended, changed and increased the tariff, signed agreements with almost all parts of the Empire, helped industrialists, manufacturers, bankers, insurance and railway companies, and it is only to-day that they give a thought to the farming class.

Fear is the beginning of wisdom. Elections must certainly not be very remote.

Mr. BARRETTE (Translation): You have never given it a thought yourself.

Mr. CASGRAIN (Translation): You may reply in your turn, if you wish, but please do not interrupt.

As the title indicates, the bill aims at helping the farmers. It is strange that the government has delayed so long to think of them. The establishing of a Bureau for Translations and the revival of titles were far more important! We all believe that the farming class should be assisted, it is the most important class in this country; however, where we differ is on the means to be taken, on the economy itself of the bill, if I may thus express myself.

The title is not the only thing to consider, sanction or swallow, so to speak, it is the provisions of the bill which must be examined. We must consider how this bill will work and what results will be derived.

The government gives us a new pledge. It is again the peddler of 1930, with a bag full of fine promises who appears in the person of the hon. Minister of Agriculture (Mr. Weir). Apparently, the devil is not dead; to-day, he still endeavours to deceive the people. The government and the right hon. Prime Minister (Mr. Bennett) are well aware that promises can no further deceive the people; they, therefore, offer a bill. As always, the leader of the government wishes to do things on a large scale. He therefore submits to us schemes. He is an expert in the matter. We find in this bill, if we take section by section, nothing else but propects and schemes. There is nothing definite, it is an act to administer projects and schemes. Projects and schemes which will be carried out by whom? By a representative number of persons. Administered by whom? By individuals, persons who are unknown to us and are not named in the bill.

We have had, for the last four years, more than enough of this kind of legislation. We have had projects and schemes to end unemployment, yet unemployment still prevails. We have had projects and schemes to settle the sale of wheat, yet wheat remained unsold. We also have had some to save the C.P. Ry. Perhaps, the C.P. Ry is saved, but the government had to put up a guarantee, and there is nothing to assure us that they may not have to forfeit this guarantee.

All classes of society are taxed more than ever. The national debt has increased and again the people, especially the farmers will be called upon to contribute. This scheme will entail a large outlay which will not be controlled by Parliament, but under the exclusive authority of the governor in council, the Minister and the boards which the government will appoint to carry out this act.

Has the government ever thought of making inquiries in the United States in connection with the cost of investigations made by the United States government on certain items of the tariff? I am informed that certain investigations, ordered by the new administration in the United States, especially on two items, had cost more than $25,000 each.

This bill is full of complications and legal obscurities. How many persons will he appointed to the Central Board? What will be their salaries? The bill makes no mention of it. The commissioners will certainly be easy going business men as to money matters, especially on the eve of an election. Their remuneration is not fixed; no doubt it will be in the thousands of dollars. Moreover, a large staff will be set up, secretaries, stenographers, clerks, accountants, experts, inspectors, investigators and informers, as many persons who will act as election agents appointed by the government to satisfy our friends opposite who will require positions to hand out. It is stated that the government intends to amend the Election Act, so as to decrease the cost of its administration. I think that the saving which will result from amending the Election Act will amount to nothing owing to the further expenditures incurred by the enforcement of this act.

These officials will be appointed by the Civil Service Commission, and what will be their salary? No mention is made in the bill.

There is also a proposal to indemnify industries, those which bow to the Act for the losses incurred through the decisions of the Board. In what ratio and how will this indemnity be granted? No mention is made and apparently there seems to be no appeal from decisions which will be fatal to some of the people interested.

The Board will be empowered to purchase with our money such natural products which may be thought too abundant, so as to destroy them if the market is congested. It will be authorized to purchase buildings and warehouses. These are some of the exorbitant powers that the government grants to persons who will be chosen by it and over whom we shall have no control. What will be the assets of this new Board? No mention is made in the bill. Those in industries will be called upon to pay charges to the Board for services rendered, what amounts will they be? The bill makes no mention. Licences will be issued or sold. On what terms or conditions? We do not know. The government will foot the bill of this extraordinary organization. The deficit will be a large one, in proportion to the business carried on by the Board. Have we not already incurred enough liabilities: through the deficits of our railways; through the guarantee of $60,000,000 to the C.P.R., the guarantee to the wheat pool which amounts to almost $15,000,000?

Local boards may also be established under the authority of the province which will cooperate with the Central Board at Ottawa.

These boards will also have their own budget and, again, the people will be called upon to meet the deficits.

The consumers for whom no provision is made in the bill will receive no protection

yet they will be called upon to reimburse those in industries the charges made by the central and local boards.

This bill, sir, will no doubt have the same fate as that of the Board of Commerce and the one known as the Fair Price Act which was introduced in the house some years ago, in the last days of the Union government and which was found to be ultra vires by the Supreme Court. According to this bill, the board will be empowered:

(a) to regulate the time and place of marketing the regulated product, and to determine the manner of distribution and the quantity and quality or grade of the regulated product that shall be marketed by any person at any time, and to prohibit the marketing of any of the regulated product of any grade or quality;

It is like saying to the farmers when, where, how and at what price they will market their products and this without consulting them or any petition on their part.

Representing in the house a farming constituency I cannot do otherwise than protest against this bill because I see a threat against personal liberty. I do not think that any farmer in my constituency approves of it.

The right hon. Prime Minister himself stated about a year ago:

It is the effort of each of us which will save the country.

He has perhaps changed his mind since then, because, to-day, he seems to desire that one man alone should control the destinies of farmers and dealers.

No one is opposed to cooperation for the marketing of natural products, as it was practised under the supervision of cooperative societies, here and there throughout the country. What we are opposed to is compulsory cooperation which places the farmers at the mercy and under the exclusive and absolute authority of a certain group and even of the minister who, under certain circumstances, will have the administration of this act.

In this regard, I warn the hon. Minister of Agriculture to be on his guard because he has other colleagues who would like to administer this act—especially the hon. Minister of Trade and Commerce (Mr. Stevens)—and should he not be on his guard the enforcement of this act might well be transferred to another department.

The British Marketing Act seems to me fairer and affords more freedom to the producers by only accepting advocated schemes after they have been submitted and ratified by parliament. Why not adopt the same policy? Over there, the liberty of parliamentary institutions and of the representatives of the people is still safeguarded. As the hon. member for Bonaventure (Mr. Marcil) so well put it recently: "If such a policy is carried on any further, members will have nothing to do. We will simply be here to register our vote on bills which the government enacts owing to its large majority and we shall no longer be responsible for the enforcement of these acts."

The present bill also restricts, when it is thought proper, the importation or exportation of certain products. Is this not withdrawing from the members and parliament the exclusive right they have of legislating on the tariff and trade? By granting these powers to the governor in council and to the boards to be organized under his authority, do we not abdicate the most important powers and rights entrusted to parliament so as to regulate the revenues, expenditures and taxation?

In my opinion this bill is as bad as the one on doles that we have been forced to sanction for the last four years ever since the government is in office.

I am opposed to this bill, sir, because it grants too extensive powers to these councils and boards. These powers may be summarized as follows: to fix the sale, regulate the price, supervise the margin of profits and impose heavy penalties without parliament being consulted, for, if this bill is enacted and put into force, the state becomes, at the same time, controller of production and trade. We have had for the last four years a government of unemployment, and should this bill be enacted we shall have a government of traders.

I am not astonished to find our friends on the extreme left supporting this bill. It is in keeping with their ideas. If I am not mistaken, they were the ones who, in 1930, moved a resolution in connection with mass production and marketing. They had given it the title of "Cooperative production—Cooperative marketing."

We protested against such a measure at the time as we protest to-day against this bill, because it embodies the same principles and, in my opinion it is purely and simply socialism. We wish to assist the farmer; however to do so, it is not necessary, I think, to set aside the principles of our British democracy and borrow from Russia her soviet system which, to-day, is ruining her; it is unnecessary to "stalinize" our farmers so as to improve their lot and restore prosperity to this country.

In the course of this debate certain members on the extreme left criticized our leader for having pointed out the dangers which this bill contains and the harm it does to our parliamentary institutions and liberty: Let me simply say to these hon. members that if we enjoy, to-day, privileges and freedom granted to us under the British Crown—and that a number of them have sought in this country because they were denied to them in their native country—it is because we have always had in this country, especially in the liberal party, active and disinterested men, like the present leader of the liberal party, who have unceasingly fought for the people's rights and opposed any encroachment.

The hon. member for Souris (Mr. Willis) quoted, yesterday, a list of those who requested this measure. He enumerated quite a number, however, I noted that they were mostly associations which purchase and market agricultural products. They are not associations of farmers or growers which request this legislation. I have not heard any one read in the House any petition or resolution of groups or associations of responsible farmers, requesting or approving this legislation. For my part, I have not received any.

We are not alone, sir, in protesting against this bill. Many hon. members opposite have spoken in favour of this scheme; however, with restrictions and reserves and suggestions to the government to reconsider certain sections. Last evening, one of them confessed to me that the greatest objection to this bill was the compulsory cooperation; that is what we are opposed to.

Commercial and business men neither seem to approve of this legislation. Mr. Major, who represents the Board of Trade, considers this measure too revolutionary. He states:

I am afraid business is being overburdened with all sorts of regulations and restrictions.

Mr. Wieland, President of the Board of Commerce asserts:

There was danger in the tendency of governments to seek control over private enterprise and business more than was necessary.

Mr. Wieland, President of the Board of Trade:

The government was trying to do something that was beyond its power.

Mr. Hamel, of the Olive-Dorion, Limited of Montreal, states:

I thought the board was to be given enormous powers and they might stop a lot of speculation in business—which would be a good thing; but if the board uses its powers to order the destruction of natural products, in a similar way to what had been done in the hog market across the border, then he was wholly against it, believing that nature should take its course—to interfere with it only invited disaster.

Mr. Ernest Cousins, who is at the head of an important company of distribution of cream and milk, thinks that this measure "would react against business generally."

Mr. Clarke, also at the head of a large company, stated:

The chamber is opposed to the government in business.

Mr. BARRETTE (Translation): Read also the statements of the former Minister of Agriculture (Mr. Motherwell).

Mr. CASGRAIN (Translation): I could also quote statements made by members opposite, friends of yours who made certain promises in the course of last election, who, however, have not kept them.

The people will judge the Government as they did at the last by-elections.

Mr. SAUVE (Translation): Do not bother about the elections!

Mr. CASGRAIN:

Gazette editorial: The bill would open the door to more government interference in business. It provides for a maximum of meddling in lines of commercial activity. It is an unprecedented departure. It is questionable if any British government anywhere has ever had or attempted to have such absolute control over private business. The bill overshadows in importance anything previously submitted to this parliament.

(Translation). A few days ago, sir, our distinguished Prime Minister of Quebec, the Hon. Mr. Taschereau, referring to this bill, said:

Ottawa wishes to assume the control of our forests, mines, fisheries and natural products. We shall reply: No. However, we are aware of the attempt which is being made and the spirit with which the dominion government is inspired. Mr. Duplessis, leader of the provincial opposition in the course of the session which has just closed expressed the same fears. I wish to congratulate him.

Mr. MERCIER (St. Henri) (Translation): There is a righteous man in the Conservative party!

Mr. CASGRAIN (Translation): The member for North Winnipeg (Mr. Heaps) turning towards us, yesterday, to dispel our fears, reminded us that we had delegated our powers to the Board of directors of the Canadian National Railway to whom we had granted full authority. That is a fact, however, the individual's liberty was not affected or limited. We did not prevent or force the people to use

this railway, we did not expropriate them, we withdrew none of their rights. The sums required by the Canadian National Railway are voted each year, are controlled and verified by a committee of the house composed of representatives of the people, and they are the ones who vote these definite amounts. There is nothing in this bill which limits the amounts which the Central Board or the governor in council may expend. There is no clause in this bill which compels that the minister must submit to the house a report of its activities in connection with the expenditure and administration of this act. No amount is fixed. It is another blank cheque that the government requests from us so as to endeavour to redeem its pledges.

Mention was also made of the act known as Workmen's Compensation Act. It was the hon. member for North Winnipeg, I think, who referred to it yesterday to prove again that the citizen's liberty and rights had been undermined and taken away. By such acts, the citizen has lost nothing, his rights and privileges have not been decreased. Quite the opposite, they have more guarantee, less outlay and justice is rendered more speedily. At all events, all the workmen's unions of this country have requested such laws, they benefit the workmen.

How do you wish us, sir, to grant the government the powers which it requests by this bill, to manage the business of our farmers and fishermen, when we witness such a shameful failure in the administration of the country's affairs for the last four years?

Mr. LAPOINTE (Translation): Hear, hear!

Mr. CASGRAIN (Translation): I was amazed, last evening, to hear the hon. member for Qu'Appelle (Mr. Perley) request our cooperation. You will recall, sir, each time the bill for direct assistance was submitted to the house for consideration, our distinguished leader and other speakers on this side requested the government to move certain amendments and accept some of our suggestions. We also requested the government to adopt certain amendments in connection with the tariff, we begged of them to lower the customs duty, to find markets more easy of access for our farm products. The government paid no attention to our requests. Moreover, how do you wish us, sir, to cooperate with a government which, for the last four years, ever since it has held power, has not redeemed its pledges. Were we to help the government we would be equally guilty of treachery and of its misdeeds. I, for one, think we should not approve this measure neither any measure brought down by the government from now on until prorogation, because the government has lost the people's confidence. I have but to point out the results of the byelections which have been held within the last year: Restigouche-Madawaska, Yamaska, Mackenzie, South Oxford, which have written across the skies of this country the sure defeat of the government at the next election.

It is often stated that we have no practical suggestions to make to the government. My colleague and neighbour, the hon. member for Quebec Montmorency (Mr. Dorion) spoke the other day of Mr. Albert Rioux. The latter—and I agree with his views on this subject—states:

> At present, farmers must meet their liabilities with a 40 per cent deflated dollar. There should be a readjustment of the debts and mortgages.
>
> We believe that a good farm loan would be an excellent tool to carry out this adjustment.

However, I think that the government, if it wanted to show its desire to help the farming class, could amend the Farm Loan Act, which was simply an experiment when it was introduced; it could also make provision in order that the people of Quebec and the eastern sections could enjoy the same advantages as the farmers of the west. In the province of Quebec as well as in the eastern provinces, the homestead is generally more valuable than those of farmers in the west, yet the loan is limited to 20 per cent on buildings. I think it is unfair for those who borrow that the loan should not be proportioned to the total value of his property. The farm loan is not well distributed between the two sections of this country. The 6 per cent rate is not very encouraging for farmers of long standing because it does not afford them an opportunity to replenish their stock or improve their farm; it neither encourages younger people who show some desire to farm and wish to become farmers. The Quebec government endeavours to neutralize the disastrous effects of this act by contributing to part of the interest which the farmers must pay. That is quite a help; however, the Dominion government should amend this act

in the interest of the farming class. What is more, instead of the bill No. 51 which is submitted to us the government should endeavour to find means to decrease the price of all things necessary to develop the land, forests, mines and fisheries. It should also endeavour to find new markets which are more easy of access in order to dispose of the products of these industries. That would be, I think, the best solution to the problem.

I am not alone in advocating such reforms. In fact, the other day, at the Bank committee Mr. Jackson Dodds, a gentleman of high standing in the financial world, stated that what was required to remedy our ills were markets and also more trade. That is what is required, yet the government does not bestir itself.

Another thing which the government might do would be to lower the price on gasoline. According to last year's statistics, we consumed in this country 503,800,000 gallons of gasoline. Two years ago the consumption was 100,000,000 gallons more. Why permit this gasoline to be sold at 7 to 10 cents dearer than it should sell? Who profits by it? Who are those who benefit by this spread of 7 to 10 cents between the cost and sale price? They are the Rockefellers, the Standard Oil of New Jersey, the Imperial Oil of Canada and other oil companies which are branches of the Imperial Oil of Canada.

These are as many problems which deserve the consideration of the government and which they could solve if they desired to help the farmers, the fishermen and all who are engaged in production or in the development of our natural resources. To help the Quebec farmers, the government should grant them, as well as to their sons, the same advantages as were offered in the past to immigrants who settled in Quebec or in the west: reduce the transportation rates of railways; increase the farm loans, instead of decreasing them as it has done for the last four years; cease incurring liabilities to erect a building for the legation at Tokyo; giving work to Japanese, when our people are in want and are starving, it would be better to give the money to our farmers; discontinue purchasing expensive paintings for the National Gallery by which the friends of the government benefit; cease granting subsidies to insolvent companies in order that they may improve or build ships to transport cattle to the European markets and thus prevent them from robbing the farmers. There are as many measures the government could take to help the farming class, if it were in earnest. The farmers, deserve to be helped and we should do our utmost to assist them with a scheme to meet their circumstances. Briefly, to quote the poet's words, as I have already done elsewhere:

> Remettre en honneur le socle et la charrue,
> Repeupler la campagne aux dépens de la rue,
> Grever de taxes les riches et dégrever les champs,
> Avoir moins de bourgeois et plus de paysans.

Mr. J. L. BOWMAN (Dauphin): Mr. Speaker, in addressing the house with respect to one or two aspects of this bill, may I first congratulate the Minister of Agriculture (Mr. Weir) upon having introduced such a forward measure. For some time, in fact practically from the time this government came into power, a bill of this nature has been under consideration and I think the minister and the government are to be congratulated upon bringing forward the provisions contained in this bill.

Before dealing with certain of the provisions of the bill I should like to refer briefly to some of the arguments and statements made by the right hon. leader of the opposition (Mr. Mackenzie King) in the address which he delivered on April 19. I listened to his remarks with considerable interest but at times I thought I had either misunderstood some of his statements or had not clearly understood the nature of the legislation. However, upon reading over his address I found that I had understood correctly what he had said. I then became even more surprised at some of the statements he made on that occasion. I do not suppose there is an hon. member of the house who is more capable of clearly understanding legislation and the difference between fine phrases or wording of clauses and paragraphs than the leader of the opposition. I am all the more surprised at the interpretation he has put upon this bill. Throughout his whole speech he referred again and again to the fact that the bill restricted production. At the very first of his speech, as reported on page 2334 of Hansard, we find him stating that the principle and essence of the whole measure is restriction of production. This phrase is used again and again. Probably not less than eight or ten times we find him making the statement

that this bill has for its object the restriction of production. I contend that there is not a single clause or paragraph in the bill to warrant that statement being made. The right hon. gentleman stated also that this bill would create monopolies but I have failed to find any section of the bill which would warrant a conclusion of that kind. The hon. member for Ontario (Mr. Moore) has stated that if this bill is passed it will lead to trade reprisals by foreign countries but I cannot follow his argument in that respect. We find a rather remarkable conclusion drawn by the leader of the opposition and appearing on page 2336 of Hansard as follows:

> This law declares that once these different boards to be created in the manner I have described have made certain regulations they may go to the extent of prohibiting a man from working on his own property—

Surely that is a far-fetched interpretation to place upon this bill and I contend that there is absolutely nothing within the four corners of the measure to justify any such conclusion. Later on at page 2341 the right hon. gentleman in referring to the products and commodities covered by this legislation states that it includes boots, shoes, clothing and furniture. I say again that there is absolutely nothing in the bill to justify a statement of that kind by any hon. member of this house. He makes another reference a little further down the same page. The right hon. gentleman states that if this bill were put into effect Canada could not trade with any country, for instance, which wanted to ship oranges or coffee into the dominion. Well, this is the first time I have heard that we have ever grown oranges or coffee in Canada, because the very paragraph to which the leader of the opposition referred relates to "natural product" as defined in the bill, which is a product of Canada. Once more therefore he has drawn an improper conclusion. But I was more amazed at two other statements he made in the speech to which I am referring. He says in effect that this measure is not to help the producer but is intended to trick the C.C.F. group in this house. Perhaps it might be well for me to read exactly what he said in this connection. At page 2334 we find the following:

> The members of the C.C.F. to-day are congratulating the government on this legislation which it has introduced. Is it not a nice spectacle to see an hon. member, the leader of the C.C.F., which party regards itself as the antithesis of Toryism, congratulating Tories on their legislation, as my hon. friend has done in his speech this afternoon and that because it goes the length of further extending state functions in a manner which will inevitably serve to create a bureaucracy.

I can quite understand why the leader of the opposition should be surprised at someone in some other corner of the house than this side supporting the government, because during the past four years he has found no occasion in any legislation of importance to support the administration or even to offer constructive suggestions. I say, he has found no occasion to take this stand during these very perilous times through which we are passing. Further on he says:

> We have our Tory friends opposite introducing legislation which, like the spider and the fly, is aimed at catching a few flies which happen to be at the far end of the chamber—

I do not know whether those in the corner of the house are to be congratulated on that reference or not.

> —they are prepared to walk into the spider's parlour for the time being to help it get through this particular legislation. But I am afraid the inevitable fate of the fly awaits them.

Just why this party should want to capture the hon. member for Winnipeg North Centre (Mr. Woodsworth) I do not know. I am quite certain he would not prove to be a fly if we did catch him; he might turn out to be a bumble bee or a hornet. In any event it has been made clear that the policies of the C.C.F. and the policies of those who sit on this side of the house are diametrically opposed, and at no time that I am aware of has the leader of the C.C.F. group failed to express clearly and distinctly precisely what his views were on the policies of the government of the day. At page 2341 the leader of the opposition had this to say. He said that this is really not a measure to help the farmer or the producer but is an ordinary election dodge. He quotes the provision that the governor in council may:

> (b) prescribe the forms of such licences, the terms and conditions thereof and the persons who shall have authority to issue the same;

On the strength of that the leader of the opposition arrives at this conclusion:

> That is a fine power to give to a government on the eve of a general election, to send around the country a lot of agents of the government of the day with power to issue licences to the producers in the different localities.

It seems to me hardly conceivable that in 1934, during these times, we should find the leader of a great party coming to a conclusion such as that in respect of the bill before the house. If that were one of the objects of

the bill, if it were mere trickery to entrap the third group in this house, it is conceivable that this bill would receive the support which it is receiving in this house? Is it conceivable that it should receive the support of six or seven provinces of the dominion? Is it conceivable that it should receive the support of the former Minister of Agriculture (Mr. Motherwell)? Is it any wonder that when the leader of a great party makes statements of this kind with regard to a measure of so much importance to the primary producers of Canada, the leading Liberal newspaper in Ottawa, the Citizen, in an editorial of April 25, 1934, should have the following to say with regard to this negative opposition, which has been directed against the government and its policies during the last three or four years under the leadership of the right hon. gentleman? The editorial in question states:

It is simply a negative factor in parliament, offering neither light nor leadership in Canada's most critical period of economic readjustment.

Further down, referring particularly to the speech delivered by the hon. member for Shelburne-Yarmouth (Mr. Ralston) this editorial makes the following comment:

This session there is no such excuse, but Colonel J. L. Ralston's speech on the budget last Monday afternoon made it clear that the opposition sterility is due to something more than tactics: it is a state of political barrenness. The light of Liberalism is flickering so feebly on the opposition side, it is quite liable to go out altogether when the Liberals come back into office.

I think these statements sum up the situation pretty well when conclusions such as I have referred to are drawn by the leader of the party opposite with respect to the measure which is receiving the attention of the house. And be it noted that throughout the whole of this discussion, as in discussions which have taken place during the last four years on measures of major importance in this house, no alternative propositions have been put forward. We have simply had destructive criticism; that has been the tenor of the debate from the opposition benches from the time this measure was introduced until this moment.

Let me turn for a moment or two to the principle of the bill, to which discussion is limited at this stage of the proceedings. I think the principle of the bill is very clearly and concisely set forth in the description of the act in these words:

An act to improve the methods and practices involved in the marketing of natural products in Canada and in export trade, and to make further provision in connection therewith.

All hon. members, even those of the opposition, will agree that there is at the present time some necessity for marketing legislation in Canada. Surely when there is keen competition among all countries to obtain foreign markets it is well that our products should enter those markets in the best possible condition; that they should be properly graded; and that the time of marketing should be carefully studied. If we consider just what has happened in the past, in the marketing of hog products, bacon and ham, in the old country, the present situation with respect to cheese, the matter of apples which was so well dealt with by the hon. member for Yale (Mr. Stirling) and so on with respect to all our natural products, it surely is conceivable that to market them in the best possible manner, under regulated conditions under the direction of experts, should be of advantage to the producers and to the country. Therefore, under the provisions of this bill we have a marketing board set up. It is given the powers enumerated in clause 4, subclause 1 (a) of the bill, as follows:

The board shall, subject to the provisions of this act, have power to regulate the time and place of marketing the regulated product, and to determine the manner of distribution and the quantity and quality or grade of the regulated product that shall be marketed by any person at any time, and to prohibit the marketing of any of the regulated product of any grade or quality.

Those are the board's main general powers which are further amplified by subsequent provisions of the clause. Under subclause 5 of the same clause the marketing board is empowered to set up a local board which may act as the agent of the main board or may exercise the powers of the marketing board itself. The method of procedure to get some action from the board is clearly set out in the bill. I do not wish to go into details with regard to that; those clauses have been read so frequently it is with some hesitation I read them again, but subclause 1 of clause 5 states:

A representative number of persons engaged in the production and marketing or the production or marketing of a natural product may petition the governor in council to approve a scheme for the regulation of the marketing of such natural product by a local board under the supervision of the board.

Two points are to be noted; first, that the clause is permissive; second, that the scheme may be got under way by a representative number of those interested. It is quite true that under another clause a scheme may be initiated or got under way by the minister,

but the regular, ordinary manner in which action would be obtainable under the bill would be under the provisions of the clause which I have just read.

I have set forth very briefly and in a general way the principle of the bill. In order that orderly marketing may be carried out, certain further powers are given to the board. Under clause 12, subclause 1 and 2, power to restrict imports and exports is given, not to the board itself but to the governor in council. I am quite prepared to admit that the provisions of the bill with regard to exports are pretty wide and may be due for amendment. The provision with respect to imports is not as wide as that with regard to exports. It is to be noted in reading that clause that power to limit imports extends only to those natural products which enter Canada in competition with regulated products, while in respect to exports the provision is much wider, referring to all natural products. On first thought I am inclined to believe perhaps "natural product" should be changed to "regulated product," so that the power of the governor in council may be restricted to exports coming in in competition with regulated products as defined in the bill.

The other important provisions of the bill, those coming under part II, give the right to investigate the spread in prices as these products find their way to market. Clause 16, subclause 1 states:

> The minister may, at the request of the board or upon his own initiative authorize an investigation into the cost of production, prices, spread, trade practices, methods of financing, management, policies, grading, transportation and other matters in relation to the production and marketing, adaptation for sale, processing or conversion of any natural product.

In other words, under the provisions of this legislation power is given to the minister from the time the product is ready for the market at each step, in transportation, in sale, right up to the time it comes into the hands of the consumer, to investigate thoroughly all those stages in order to ascertain whether the charges made during that process are fair and reasonable. Surely it is not too much to ask that the primary producer be given the right to inquire just how his goods are handled and what each step costs from the time they leave his hands until they reach those of the consumer. I know that in the province of Manitoba, from which I come, there is a feeling that the producer is not receiving as much of the consumer's dollar as he should, that the spread is much too wide. I know the farmers feel that if they had the right to investigate the commissions paid, the charges for processing, for packing and handling and so forth, they would be much more satisfied. More than that, an investigation or two such as we have had by the Stevens committee certainly would help clear the air and would bring good results even if nothing further should be done.

Some objection has been taken to this bill because it is said that if it is put into operation business will leave the ordinary channels. Personally I do not take that view. I believe if both the producer and consumer feel they are getting a square deal, they will carry on their business with much greater confidence through the ordinary channels.

I have dealt very briefly, I must admit, with the act. I congratulated the Minister of Agriculture upon having introduced the bill; I am inclined to think, with the hon. member for Melville, that perhaps the bill has been overdue for some time, but it is here now and we have an opportunity to examine its provisions and make it a workable measure. If during consideration of the bill in committee changes are deemed necessary, let us amend the bill in order that it may be practical and of real benefit to those whom it is intended to help. Surely we need not go back to the reign of King William or Queen Mary to find out what we should do; surely we need not read the Magna Charta, as has been suggested by the leader of the opposition. The producer only wants a fair deal. A chance to realize at least the cost of production and perhaps even to make a little profit.

Mr. E. J. GARLAND (Bow River): Mr. Speaker, the hon. gentleman who has just taken his seat (Mr. Bowman) made reference to the charge of the right hon. leader of the opposition (Mr. Mackenzie King) that the government had changed itself into a spider, temporarily, and had woven a web with which to entrap hon. members in this corner of the house. Well, my memory is still fresh enough to recall many webs cast by the leader of the opposition when he held office; I still remember some of the spells and webs which they threw out to entrap at least the votes if not the continuing support of some of us in this corner. But all have failed and will continue to fail.

I may say to you, sir, as doubtless you have observed in your tenure of office as Speaker of this house, that we never vote for either political party. Hon. gentlemen continue to make the grievous mistake, when we support

the principle of a measure, of charging that we voted for their party or against it. We have not done so, nor are we doing so in this case. When I state to the house that I propose to support the principle of this bill and to vote for its second reading, certainly I am not voting for the Tory party, nor would I be voting for the Liberal party if they were the body to bring forward such a bill. I am not voting against the Liberal party when I vote for this bill; I am voting for the principle of a measure in which I believe, and which I think should have been introduced some years ago. If I congratulate the Minister of Agriculture (Mr. Weir) and the government upon bringing in the measure let me say that I congratulate them on having had the excellent good sense to adopt almost the exact proposals of the C.C.F. movement, the very proposals which have been put forward by my own organization, the United Farmers of Alberta, for some years, and that have been advocated from this corner of the house for the last three years at least.

The necessity for economic planning has become more and more apparent to every student of economic conditions and of changing social affairs throughout the world in recent years. The complete breakdown of the competitive system has demonstrated the necessity for something in the way of ordered direction. The complete failure of private initiative adequately to deal with anything except its own private interests and greed has demonstrated again the necessity for some greater measure of direct control by the state of the activities of industry. One of the greatest apologists for the present system has diverged so far as to recommend a transformation as well as a reformation of most of our institutions. His name is familiar to most hon. members. Sir Arthur Salter has said:

> We need to reform and in large measure to transform this system.

I congratulate the Conservative government on having decided to take at least one step in the direction of the transformation and reformation of this system. Sir Arthur continues:

> We need so to improve the framework of law, of institutions, of custom and of public direction and control, that the otherwise free activities and competitive enterprises of man, instead of destroying each other, will inure to general good. In the organization of industry, of credit and of money we need to supplement the automatic process of adjustment by deliberate planning.

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Then he throws out this warning, in which I concur:

> If we fail the alternative is an intervening period of collapse and anarchy, followed by chaos and a different system inconsistent with political and personal liberty.

I had thought of dealing with this abstract question of liberty, which has been argued so earnestly by hon. gentlemen to my right, but the question has been handled so excellently by the hon. member for Vegreville (Mr. Luchkovich) that I do not propose to cover the ground further, except to suggest to hon. members that they sit down some evening and consider what element of liberty is possible to them in a complex order of society such as we have to-day. There is no liberty left to-day, nor can there be in a society of this kind, that would enable a man to step beyond the border of his own personality and affect the relations of another individual. For individuals liberty must end when it impinges upon or overlaps the liberty of another individual. In the condition of society to-day it is inevitable that there must be an increasing amount of direction and ordered planning, if we are not to have what Salter describes as inevitable chaos and anarchy. As a matter of fact, to this stage the entire development of our state of society has been on the basis of a modified form of anarchy; it has been on the basis of a form of individualistic ruthlessness, which has now succeeded in destroying reliance in itself and compelled the bridling of the beast. A nationally controlled economy is essential for these, among other reasons: There has been throughout the world, and particularly in recent years, a complete abandonment of the old philosophy of laissez faire, the philosophy of free competition, the philosophy of the right of the individual to extort and extract from society all he can get, irrespective of its effect upon society. That is the procedure which has been so eloquently condemned in so many excellent encyclicals from Rome, and pronouncements from other places. I could refer hon. members to my right to the Rerum Novarum and again to the encyclical Quadragesimo Anno in which limitless free competition is held largely responsible for the misery and degradation of to-day. I ask those hon. members if they do not think it is time we should recognize the soundness of this contention, and to govern ourselves accordingly. It is utterly essential that for the good of society the state must step in and assist in directing the evolution and the economic growth of the state.

Mr. BRADETTE: Does the Pope ask for governmental socialization?

Mr. GARLAND (Bow River): Yes, certainly he does.

Mr. BRADETTE: Oh, no.

Mr. GARLAND (Bow River): I would refer the hon. member to page 38 of the encyclical in which His Holiness states that wherever industry possesses the power to dominate the community such industry should be state owned.

Mr. BRADETTE: But it is not business socialization.

Mr. GARLAND (Bow River): Yes, wherever it dominates the community or to the disadvantage of the community. Yes, he even goes that far. He goes as far as this bill goes when it recommends state direction of the activity of industry in the interests of the state, rather than of the individual. He recommends control in the interests of the state. Again and again that is pointed out particularly in the last encyclical Quadragesimo Anno. The utter failure of every attempt made in recent years to restore the slightest shadow of economic internationalism makes this planning now definitely necessary. My dream is of a brotherhood of men throughout the world, operated on the basis of the cooperative principle. But I say that to-day that is impossible of immediate attainment because of the nature of man, himself—his greed, his selfishness, and because of the building up of these wretched barriers against trade.

Let us be realists in this matter and, facing the facts as they confront us and the failures that we have had in these years past, undertake now to do what we can to organize, and in an orderly way direct internal economy of the country so that we may be ready, when the time comes, once more intelligently to step into the international field and extend the marketing of our products, as well as our international relations, in the broadest and kindliest way possible. Furthermore, there is a growing realization on the part of individuals within our state these days—that there is an increasing obligation upon the state itself, under conditions such as confront us now, to undertake greater responsibilities in respect of the conditions of certain classes whose standards of life have become so reduced as to be a stigma on the system under their administration. These are some of the reasons why I find a planned economy essential—and not only essential but inevitable. Apart from these reasons, the altered technique of production in modern years has made it essential. You cannot any longer leave to the increasingly fewer and fewer groups of individuals the complete domination of your industrial life. And yet that confronts us at the moment as an absolute fact. You must deal with that problem. You will have to face the problem of cartels and combines, just as this government is to-day, in a sort of way, attempting to investigate the tremendous effects of the growth of centralized industry in this country, such as is found in chain stores, department stores and so on. These are problems which must be dealt with, and no longer can society be left completely subject to the domination of these growing economic and social powers which are vested in the hands of a few individuals operating under the old system.

But Mr. Speaker, I cast this warning out: The object of the bill before the house is, to my mind, the important feature. First we must deal with its object, and secondly the administration to follow. But the object of the bill should not, under any circumstances, be the destruction of wealth. We should not place ourselves in the sacrilegious position of destroying those things which the Almighty, in cooperation with our efforts and those of science, has succeeded in placing at the disposal of the human race. The object of the measure should be, rather, to develop the means by which we can increase and expand the consumption of the great wealth to the extent to which our people are to-day capable. I am now going to say that this bill, alone, will be quite insufficient, in the long run, to achieve that end. However it is a step in the right direction. It is one phase of national planning. But if hon. members are going to delude themselves and the public into imagining that merely the arranging of marketing technique will solve their present problems, they are gravely mistaken. They have to go at least one step farther, namely into the field of distribution, by steadily increasing the consumptive power of our people. If they do that, then they will have taken in my opinion, the two most essential steps towards the building of a new state and a new social order in which, through the encouragement of the growth of cooperatives, on the one side, collectively owning the essential basic industries, and direction by the state of the other essential secondary industries, we will have brought into being what we are proposing in our Cooperative Commonwealth Federation manifesto.

What an amusing thing it is, Mr. Speaker, to find the leader of the opposition going around the country last summer and at one point saying he could agree with half of our program, at another that he could agree with two-thirds of it and at another with three-quarters of it, and now we find him preparing to throw out the first essential feature of the program, and the Conservative party stepping over and saying, "We will take it up, so it is all right." That is really most amusing. I think that, after all, history will have a little laugh or two at the strange shift of activity in the political field of Canada.

At any rate we, the C.C.F., have a plan. I congratulate the government for, at least in part, accepting that plan. Of course we are not the only nation on earth doing it, but I am glad this government has at least begun. But let them not ignore the fact that until we have solved the general problem of increasing the purchasing power of the masses, we will not have taken the proper steps in the direction of the permanent solution of the problem of distribution and no marketing act alone will be sufficient.

Referring now to subsection (e) of section 4:

(e) to assist by grant or loan the construction or operation of facilities for preserving, storing or conditioning the regulated product, and to assist research work relating to the marketing of such product;

I am convinced, and shall so propose when we reach committee, that that provision should refer solely to cooperative societies; that the government should not undertake to assist by grant or loan institutions operated for private profit. But if they will modify that provision so that it will apply only to cooperative bodies, and expand it so that it will enable the extension of necessary aid for the creation of processing plants, then they will have gone a long way towards the complete acceptance of what in this regard we have been proposing for some years. This government, if it is to make effective the provisions of this bill, must extend to the organized producers in say the live stock industry, the poultry industry, or the dairying industry, facilities for going into the processing stages of such industries. If they do that they will have done a great thing for the primary producers and less than that will not justify the optimistic speeches made by some hon. members opposite with regard to the probable effects of this measure.

I further support the bill because of subsection (j), which provides that the board shall have power:—

to cooperate with any marketing board or agency established under the law of any province to regulate the marketing of any natural product of such province and to act conjointly with any such provincial board or agency;

With that clause I read section 5:

5. (1) A representative number of persons engaged in the production and marketing or the production or marketing of a natural product may petition the governor in council to approve a scheme for the regulation of the marketing of such natural product by a local board under the supervision of the board.

These two clauses, taken together, show me definitely that this bill has for its purpose the stimulation of interest in the organized cooperative movement in relation to the agrarian industry of this country. Any bill that has that object within its ambit must receive my support and will continue to do so. I am not a socialist; I have never been a socialist; I have never read any work of Karl Marx except what paragraphs appear in current digests or magazine articles. But I am associated with a movement that for more than a quarter of a century has struggled to find an intelligent solution of the problems of the primary producers, to whom I belong. As a result of this twenty-five years of earnest effort they have come to certain crystallized opinions. These opinions were not suddenly arrived at but are the result of the study of these questions from the distant past until to-day. Resolutions come forward from the locals, are discussed in the district associations, in the constituency associations and then go on to the annual convention, passing through a series of sieves in order to ascertain whether they have merit and are sufficiently intelligent to go forward to the parent body. If they reach the parent body and are adopted they become the policies of the movement itself. I doubt if there is any body in this dominion, outside of the agrarian and to a similar degree the labour movement, that has applied so much constructive, democratic thought to the problems and the solution of the problems that are facing our people to-day. As a result of the efforts, the struggles, the studies of these two bodies, working quite apart from each other all these years, it was suddenly found that we had arrived at almost exactly the same conclusions on the major national questions with which the country is concerned. So we met and formed a federation, known, as hon. gentlemen all know now, as the Co-

operative Commonwealth Federation. The organization to which I belong, the United Farmers of Alberta, constitutes the largest and most powerful part of that body. Our whole philosophy is based upon the development of cooperation.

Cooperation has flourished in many nations; some fifty-three countries to-day have an enourmously extended growth and development of that movement, both in the producer and the consumer fields. I shall probably, if I have time, give hon. members some figures concerning it, for they are amazing. But in Canada the development of the producer end is of comparatively recent growth. We have had substantial consumer cooperatives for many years. Now hon. members, particularly some to my right, rise and criticize the cooperative movement as having failed and broken down, and brought loss to those concerned. I wish to meet that challenge to-day. I want to tell this house, what many hon. members, including the Minister of Trade and Commerce (Mr. Stevens) well know, that the cooperative movement has not failed in Canada, that the cooperative movement, particularly on the producers' side, continued to flourish until the coming of the collapse of the capitalist system—in the ambit of which it tried to work—in the years 1928 and 1929. When we received a severe check at that time it was not because of any inherent weakness in the cooperative principle itself, but because the dead weight of the evils of capitalism had carried the whole system down and ourselves with it. The cooperative movement in the live stock industry continued even after the year 1929; it continued to flourish until England went off the gold standard. It could have still continued to make progress had not this government adopted the insane policy of attempting artificially to sustain the gold value of the Canadian dollar, thereby bringing about a condition in exchange rates that meant to us the loss of at least ten dollars on every head of cattle we shipped that year to England, with the resultant collapse of the live stock cooperative pool. The Fordney-McCumber tariff has had an extremely serious effect on the cattle industry, but that tariff was but one of the acts that tended to destroy us; the second act was that of this government in maintaining artificially the gold level of Canadian currency after the abandonment by England of the gold standard.

Now I come to the wheat pool. It has been subject to challenge by hon. members here and by newspapers outside. I made it my business in that year of great controversy when the price of wheat went to $1.70 to go straight to the heads of the pool in Winnipeg and find out the true condition of affairs. Remember, it was charged that the pools had deliberately held wheat off the market in order to hold up the European buyer. I found that that statement was completely false. It can be ascertained by any hon. member on application to the pool for their day sheets that they offered for sale real wheat on almost every day that year. Further, they offered wheat frequently at prices below the Winnipeg level. The reason for the collapse at that time was, of course in part the wild speculation on the Winnipeg exchange, and a condition in the grain market in Canada and Chicago completely out of relation to the Liverpool market. We had an artificial stimulation of price here, and most of the trading if not all in these days was being done on option. We might have stepped in as a pool and sold our wheat on option; we might have sold it at $1.70 on option, but, as was proven by subsequent events, had we done so we would have found that the option buyers would not take up the options when the time came for call. That is what was feared at that time, and justly feared.

Now let us come to the question of loss. Hon. members who will take the trouble to study the figures will find that the wheat pools of this country lost less per bushel handled than the private grain trade. Have hon. members forgotten that the great Alberta Pacific Grain Company nearly went under, with a loss of three and a half million dollars in that year? Have they forgotten that James Richardson & Sons nearly went to the wall in that year? Have they forgotten that the great "man of destiny" of the wheat market in Canada, the man who was held out to us as the real authority of wheat marketing in Canada, James Stewart, was fired from his position because of the losses his company sustained under his presidency during that year? Do you find that the wheat pool justifies its position? Not only do we find that but we find that our people have continued to have faith in it and we propose to continue to support the principle. We believe in it firmly and we believe that eventually it will succeed in at least checking and probably expelling the profit system and in bringing a fairer share of the consumer's dollar to the producer. For

these reasons, as well as for those others I have mentioned already, I propose to continue to support this measure.

I have often heard discussions in this house by expert agriculturists to the effect that quality of product is the keynote to market security. In what country is quality the highest? It is the highest in that country with the most intelligently and highly organized cooperative movement—Denmark. Sweden also is particularly good in quality, and is also a strongly cooperative country. To me those two states stand out as a fair example of what a successfully ordered society can do in the midst of a general world calamity such as we are facing at the present time. People tell me that continuity of market demand will depend upon quality. I answer by saying that quality will depend not only on continuity of market demand but on stability of prices. There must be some certainty on the part of the producer, not only that he is going to be able to find a market but that he is going to be able to market his products at prices which will justify the effort and investment entailed in producing high grade products. If this bill proposes to go in that direction, I am for it.

I am utterly impatient with those critics who assume that this bill will cause a destruction of opportunity and will impose bureaucratic boards upon a system of free society. I cannot stomach that sort of thing nor can I understand a man who will put forward such an argument in the face of the conditions now existing in this country. We farmers have no freedom to-day; we have no market; we have no power; we have no money; the only right we have is to go to work. We can work in the fields from daylight to dark and then starve or worry over our debts during the winter.

An hon. member to my right during the course of one of his speeches stated quite cleverly that he believed this bill was a step forward, that it might win a battle but the eventual result would be that we would lose a war. I suppose he meant the war with the system but he did not clear up that point. The fact is the farmer—I am one—has lost both the battle and the war. Action is imperative and must be taken. The system under which we have lived or have tried to live has destroyed us. Hon. members know that I am telling the truth when I say that western agriculture has been reduced to a state of peasantry. Unless steps are taken the southern parts of the western provinces will eventually be depopulated. Something must be done to get us out of the appalling misery in which we find ourselves. In my opinion the farmers will remain in this state until they are prepared to organize efficiently for the purpose of furthering co-operative aims. This can be done by taking advantage of the provisions contained in this bill and in time the farmers may reach the state where they can challenge the power of the competitive system to destroy them. You and I cannot go down to a farmer and lift him up by his neck. We cannot pick them out one by one and solve their problems. We cannot superimpose upon unorganized farmers a system which will save them. The farmers must organize and I hope it will be made clear subsequently in committee that this bill proposes to give the utmost encouragement to the organization of primary producers, agriculture and others, so that they themselves may be able to take advantage in a democratic way of the provisions of this bill. I do not like the idea of this or any other government superimposing upon any branch of agriculture a board which will completely control the industry without the consent of the majority, but I do approve of the setting up of a central board which will have as one of its objectives the encouragement of the creation of pools and other cooperative movements among the producers of every branch of farm production and primary producers generally. We must aid in developing the sense of the responsibilities of citizenship, and I believe this bill may be an excellent move in that direction. That is another reason why I support the measure.

With the exception of the hon. member for Melville (Mr. Motherwell) my hon. friends to my right have treated this measure with scant courtesy. I ask them if they have taken the trouble to study the report issued by the University of Saskatchewan which deals with the outlook for agriculture in that province. The forecast given there for that province is true also of Manitoba and Alberta. I should like to give one or two quotations from this report. In dealing with cattle, the report states:

> With regard to cattle, it is mentioned that the Canadian beef cattle industry experienced in 1933 the most distressing year since 1896.

In connection with hogs it states:

> There is a probability that if feed prices remain low by the end of the year there will be an over-expansion of hog production.

No doubt there will be a further fall in prices. With respect to the prospects for the future, it states:

Prospects for 1934 are mentioned as unattractive. Shortages of food, feed, and seed, losses of horses, poor machinery, and prospects of the most serious outbreak of grasshoppers ever experienced have to be reckoned with. On top of all this the bill for assistance during the period of adversity also awaits settlement.

I draw the attention of the house to these facts: The interest alone on the present farm debt of Saskatchewan is so great that it would take four-fifths of all the money received for the entire wheat crop of 1934. Let me repeat that statement. The interest charges on the tremendous farm debt in Saskatchewan is so great to-day that it would take four-fifths of the total cash receipts of the wheat growers of that province to meet that charge alone. The farm taxes of the province would take two-fifths of the total cash receipts. If the farmers of that province are to meet the interest and taxes for 1934 they will have to receive one-fifth more than they do receive. Is not the position perfectly clear to hon. members? Is it not clear that we should undertake some action to bring about first, a restoration of morale; second, an increased encouragement to cooperative development and, third, with the assistance of the state a more orderly and intelligent marketing of our production. As I have said already, our own program calls for these very things, as for example:

The new social order at which we aim is not one in which individuality will be crushed out by a system of regimentation. Nor shall we interfere with cultural rights of racial or religious minorities. What we seek is a proper collective organization of our economic resources such as will make possible a much greater degree of leisure and a much richer individual life for every citizen.

To attain that we recommend the adoption of a system of planned economy, the planning of the production and distribution of the things that are essential to the national life of our people. Our program is:

The first step in this direction will be the setting up of a national planning commission consisting of a small body of economists, engineers and statisticians assisted by an appropriate technical staff.

It is interesting to note in connection with the general problem that one of the most eminent authorities in England, addressing a meeting of the British Association in 1933, recommended that there should be constituted in England a third house apart from the House of Commons and the House of Lords. This third house was to consist of the intellectuals of the country—not of intellectuals alone, of course, but of scientists—and the duty of that house would be something apart altogether from those of the legislative bodies. After all, the average politician has no time, in fact not one of us has time, to undertake more than the thought and labour entailed in meeting the day to day problems of the state which, heaven knows, are considerable enough in any event. We have little opportunity to sit down and attempt to work out or even to anticipate the distant results of our policies or to consider what other policies should be brought in to cope with events that are discernible in the future. It is suggested that this third body should sit in an advisory and consulting capacity, anticipating the problems that may arise and advising upon them, so that we might get ready to deal with them. Now, that is not original. The hon. member for Red Deer (Mr. Speakman) and others in this corner have time and again recommended the setting-up of just such a body. We call it an economic council, but genial gentlemen over there, obsessed with the institutional traditions of the country, insist upon calling it a third house. We do not insist upon that designation. As the hon. member for Red Deer has pointed out, the house has in effect accepted the policy but it has not yet been put into operation. Surely the government must realize the tremendous use they could have made of such a permanent national economic council during this crisis in coping with problems such as confront us. And so our program continues:

The task of the commission will be to plan for the production, distribution and exchange of all goods and services necessary to the efficient functioning of the economy; to coordinate the activities of the socialized industries; to provide for a satisfactory balance between the producing and consuming power; and to carry on continuous research into all branches of the national economy in order to acquire the detailed information necessary to efficient planning.

It is now certain—

And this has already been referred to in the quotation from Sir Arthur Salter and in my own reference to world conditions.

It is now certain that in every industrial country some form of planning will replace the disintegrating capitalist system.

This is obvious to all who have eyes to see or to read.

The C.C.F. will provide that in Canada the planning shall be done, not by a small group of capitalist magnates in their own interests,

but by public servants acting in the public interest and responsible to the people as a whole.

We do not, particularly those of the U.F.A., which is the most powerful body in the Canadian Cooperative Federation, regard it as at all essential to undertake any vast dislocating series of socializations or nationalizations of industry. We do not believe it is necessary. We have come to the firm conclusion that the extension of the cooperative principle with nationalization of key industries and monopolies will carry with it all that we desire to secure at this stage in the attainment of our program.

In this regard I would quote the following from No. 4, the section on agriculture:

> The intense depression in agriculture to-day is a consequence of the general world crisis caused by the normal workings of the capitalistic system resulting in: (1) Economic nationalism expressing itself in tariff barriers and other restrictions of world trade.

We are definitely opposed to the continuance of that state of affairs, and when the time comes for its removal we propose to remove it as quickly as possible in order to establish harmonious trade relations with other countries.

> (2) The decreased purchasing power of unemployed and underemployed workers and of the Canadian people in general.

This is another reason for agricultural depression.

> (3) The exploitation of both primary producers and consumers by monopolistic corporations who absorb a great proportion of the selling price of farm products.

If this bill is directed—and I believe that this is the purpose—towards the control of those middlemen or intervening private processing companies or corporations, then I am for it. I want to extend its powers so that we shall be able to deal adequately with the tremendous problem that is facing us to-day.

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

Mr. GARLAND (Bow River): And so, Mr. Speaker, I propose to support the second reading of the measure.

Mr. W. G. ERNST (Queens-Lunenburg): I would hesitate to transgress upon the time of the house or to take part in the debate were there not certain misconceptions of this bill abroad in my own province, misconceptions which have been to some extent stimulated and fostered by the speeches of the hon. member for Hants-Kings (Mr. Ilsley) and the hon. member for Antigonish-Guysborough (Mr. Duff). I intend to devote a good portion of my time to dealing with one product in which my constituency is particularly interested, namely, fish, and I make no apology to the house for doing so, because if there is one industry which has been the orphan of politics it is the fishing industry. Not only has it been the orphan of politics, but the pulse of policy has been so feeble on many occasions that it was scarcely perceptible.

When the hon. member for Antigonish-Guysborough was speaking on this measure, he made certain observations with regard to the industry which were so fantastic that I do not believe any one would pay attention to them had they not been uttered by a man who has spent his life in the fishing industry. Before I discuss the hon. gentleman's views however may I paint a picture of the industry itself. It is necessary to understand the problem with which we have to deal in order to see whether the measure which is before us will be efficacious as a solution. We have in the industry two principal forms of fish, fresh fish and salt or pickled fish. I include in the category of fresh fish processed fish such as smoked and frozen fish. I call it fresh fish because it is processed and marketed from the seaboard by corporations which have large plants and capital investment. We have also the salt fish industry which is an individualistic industry; individuals along the coast produce the fish and sell it to the exporter, who in turn ships it to the foreign markets. I have described it as individualistic, but it is not entirely so, because the largest centre happens to be the town of Lunenburg, where the industry is carried on by vessels manned by twenty to twenty-five men.

The hon. member for Antigonish-Guysborough said that so far as Lunenburg was concerned the industry was cooperative. I regret that I cannot agree with that. If you call the following process cooperative, then it is cooperative. The men work on vessels in which they may or may not own a share and they work, not for wages but for a proportion of the proceeds of the catch when it is sold. That in my opinion is not a cooperative system; it is simply an alternative to the payment of wages. Sometimes they make more and sometimes less, but when their fish are dried and are ready they are sold to the exporter, who is certainly not in the cooperative business. He ships them to the foreign market. In years gone

by we had markets in Europe, in South America, notably Brazil, in the West Indies, in Porto Rico and in Cuba. One by one these markets have been falling away and as we lose each market we have so many more fishermen out of employment. We reached our peak probably during the years of the war, certainly the peak in price. But from 1920 there has been a steady and continuous decline in the salt fish industry. We might just as well face the facts. Some of the things I shall say this afternoon will not, perhaps, be appreciated in my constituency, but the first vital blow which was struck at the industry was when prohibition was introduced into the United States. When the Volstead Act came into force, some of our fishing vessel owners discovered that they could make a great deal more money by putting their vessels into a different trade and they took them out of fishing. They did make more money for a time but they struck a vital blow at the fishing industry because there were no vessels immediately available to replace those taken off. The markets which those vessels were able to supply were lost and perhaps will remain forever lost, and those owners were the first real enemies of the fishing industry, at least in Lunenburg county.

From 1920 to 1929 there was a continuous decline, slow but perceptible, and after 1929 when the crash came which we call the depression, the fleet which had once numbered 150 vessels dropped to twenty-five and an industry which had once given employment to thousands of people in my native county now gives employment to only a few hundred. That is the situation. Coupled with that there is another fact which I think we have to face and which may not be palatable to the fish exporters: we have at no time made any exhaustive study of our market requirements; we have shipped the product prepared in the same way as was done by our fathers and grandfathers and said to the market: That is what we have, instead of trying to meet what the market might particularly want. Furthermore, we have had no system of compulsory grading or inspection. It has been possible to go to Labrador, buy what we call "slop fish," bring them to Lunenburg, put them in casks, as is done, and ship them to the markets of the world on consignment as Lunenburg number one. I say that that has been done. It has been done in my county, and it has been done in Newfoundland as the report of the royal commission there shows. What must happen to markets under those conditions?

[Mr. Ernst.]

They must decline, so that the industry itself is in some measure to blame for the decline. What is true of Lunenburg is true of the whole coastline because the individual fisherman is in the main a producer of salt or pickled fish. What has been the result? I know the hon. member for Bow River (Mr. Garland) has visited the maritimes, but if some other hon. members could see the pitiable conditions under which those fishermen have been living during not only the last three years but the years of so-called prosperity, they would be staggered and astounded. Conditions among those fishermen have been terrible; they have been living on a yearly pittance which we could spend in much less than a month. I am sorry that the hon. member for Antigonish-Guysborough (Mr. Duff) is not in his seat. He has criticized and condemned this measure, and pictured to those men who are living in that misery and are in exactly the situation I have stated: If you have this measure, you will have a board in Canso, in Pictou, in every little village along the coast; you will have dictatorial officials coming along and saying that you cannot land your fish to-day or at all. What is the true situation? Does not the house agree with me that an industry in that condition needs control, coordination? I do not know of any other in Canada which needs it more. I believe a local board is required to coordinate that industry; I believe further that when they have done something to coordinate it and have made a study of the requirements of not only the markets which we have but those which we have lost because we want to regain them; if they inaugurate a system of grading and inspection which guarantees to the ultimate consumer that he is getting what he is paying for, we shall be able not only to retain the markets we now have but to expand the industry and to regain some of our lost prestige. Moreover, I believe if we carry on under the direction of the board a vigorous campaign of education among the fishermen in an endeavour to produce a better article—and no one can tell me that the article which was produced a hundred years ago cannot be improved upon; there must be methods of improving it—we can better the economic lot of the fisherman and help him to get more money for his product.

One more word about the salt fish industry. May I say that a royal commission investigated the fishing industry in Newfoundland where conditions are very similar to ours and where they compete with us in foreign markets. That commission found there the

same conditions as I have pictured as existing in Nova Scotia, and Newfoundland to meet the need of her industry, has taken exactly the step which I am suggesting. If we are to maintain our markets and not be driven out of them entirely by our competitors, we shall have to do as they have done.

One word as to the fresh fish industry. This stands on an entirely different footing; it is carried on by corporations that buy from the primary producers, if you care to call them so, from the individual fishermen, and they also catch some fish with their own boats. These fish they ship fresh or processed. The hon. member for Antigonish-Guysborough said that their product was sold entirely in Canada. That is not quite accurate because a considerable quantity goes outside, although the larger percentage is sold within the dominion. The fishermen who sell to those companies get for their product only a pittance at present, hardly enought to sustain life. What is the trouble there? I venture to assert—and this statement is not going to be popular—that it is cut-throat competition among the companies conducting the business. One company cuts the other company's throat. A small man, a smaller dealer than another, unable to get into the market in any other way, ships a carload or more of fish on consignment. The result is a break in the market price which is not passed on to the consumer here or elsewhere but is passed back to the fisherman who gets only a pittance. I am not blaming the companies. So long as they have to exist under cutthroat competition, just so long must they buy as cheaply as they can. But if a board had control, this system could be eliminated and, if so, the fisherman of Nova Scotia might get at least a cent a pound more for his fish without increasing the cost to the consumer, especially if the price spread were investigated from the time the fish leaves the water until it gets into the fryingpan in Ottawa, Toronto, Montreal or elsewhere. For these reasons, so far as the fishing industry is concerned, I am thoroughly convinced that this measure will be a real help, if applied. My fear, however, is that thanks to the bogeymen and ghosts that have been conjured up by people like the hon. member for Antigonish-Guysborough, the fishermen will be afraid of the measure and of having any scheme applied to their industry. I interpret the legislation to mean that there will be no board unless the industry or at least unless a representative part of the industry asks for one. In the measure there is, it is true, a compulsory feature, but I interpret it as meaning simply this, that if in the event of two areas, let us say Nova Scotia and New Brunswick, adopting a plan for their fishermen and Prince Edward Island not doing so, it became impossible to carry the plan through to fruition with Prince Edward Island staying out, then it would become the duty of the central board to compel Prince Edward Island to come in and not break the market for the other two provinces. This clause looks to me purely like an emergency one and I repeat my only fear is that the industry will be afraid of it because of statements that have been made in the house and outside respecting the evil aspects of the bill, evil aspects which really do not exist.

I do not intend to take up more time in dealing with the question of fish, nor to transgress upon the time of the house at any great length, but I want to make one or two general observations about the bill itself. It is of course in essence a marketing bill. I apprehend that its principle is the principle of marketing. I freely confess that I do not like some of the details contained in the bill, but I hope it will be amended in committee. I am in favour of control, so far as control is possible, in connection with marketing. I have spoken of fish; I understand perfectly that the scope of the bill will include all natural products. If it can help the fishing industry, however, I feel quite certain that it can help the farmer, whether he be in the east or in the west.

Some of the observations that have been made in connection with the bill astound me. The right hon. gentleman who leads the opposition (Mr. Mackenzie King) spent some two hours in discussing the various features of the bill, but from the start the central theme of his argument was that the bill usurps the rights of parliament, is derogatory to the rights of parliament, infringes upon the rights of parliament and is unconstitutional. I concede that the parliamentary system of government is the best system that has been devised as yet; at the moment I know of no better system, but unlike the right hon. gentleman I cannot look upon our parliamentary system as being something divine. It is man made, and I do not know of anything man has made that cannot be improved upon. The functions and privileges which belong to parliament were not of divine creation; they were given to parliament by man over a period of years, and I do not see why man in his wisdom should not take away some of the functions from parliament if he so desires. There is one function, however, which he must not and

cannot take away without destroying the institution itself; that is, parliament must represent the sovereign and supreme will of the people. When parliament wishes to assert that will it must be permitted to assert it in whatever form that assertion may take, but when parliament wishes to delegate some of its power to a central board I cannot see in that delegation any usurpation of parliament's authority. That which is delegated surely cannot be usurped; that which is delegated can be taken back by the body which delegates it, and consequently I see nothing in this bill which infringes on the great and vital principle of parliamentary government.

The right hon. gentleman seems to be doing something which has become characteristic of him. He looks to the past for his guidance, but after having looked to the past, instead of setting his face to the future he keeps looking backward while trying to go ahead. That is true of more than one hon. member opposite. I have listened to many of their speeches in connection with this bill, and many of those to which I did not listen I have read. I could find only one hon gentleman opposite who really objected to a marketing bill on principle, and that was the hon. member for Ontario (Mr. Moore). That hon. gentleman, who is an economist and a man of distinction, holds views on economics which are incompatible with control. I respect his views, though I cannot agree with them. I could agree that we might allow everything to move freely, as gravity might dictate, if we could all start over again as babes in the woods, as innocent and as unspoiled. But when we are dealing with a world such as we have to-day I cannot agree with the hon. member's theories.

Many other hon. gentlemen spoke, but I do not recall another who disagreed with the principle of the bill. They criticized it in detail. I am not going to class the hon. member for Comox-Alberni (Mr. Neill) with the Liberals, but his speech was a mirage of impossibilities. Difficulty after difficulty, nonexistent, was conjured up by the hon. gentleman in a complete misapprehension of the whole situation, and the same process was followed by nearly all who sit to the left of the Speaker, with the exception of the little group sitting almost directly across from me.

In listening to these speeches, Mr. Speaker, one thought struck me. It was not what has happened to the Liberal party but what has happened to Liberalism as interpreted by the Liberal party. I have no quarrel with Liberalism; I can respect any man's honest convictions, but surely it is not Liberalism that is being preached by the Liberal party in Canada to-day. It is the dead shades of past Liberalism, with no future. Another thought has struck me during the past three years, which have been three of the most difficult years in the history of this or any other country; I refer to the utter lack of constructive suggestions to come from hon. gentlemen opposite. They may consider it the function of an opposition to bide their time and reserve their policies until they are in power, but it has occurred to me again and again that in a difficulty such as we are facing to-day they owe more than a party duty to their country. They owe a duty to the country which transcends party, and if they have anything constructive to offer at least they should present it and give the country the benefit of their suggestions.

I promised that I would not presume at any great length upon the time of the house, but one other thing that has astounded me has been the degree of apprehension which the Liberal members of the house have manifested towards those who sit to their left. They seem far more afraid of the so called left group than I am, though I do not say that I am representative of those who sit around me in that respect.

Mr. GARLAND (Bow River): You are younger and more intelligent.

Mr. ERNST: I am not sure of that, though I admit the crime of youth. I should not like to see those who sit to the extreme left in power in this country, because I think they are radicals and their views, at least under present conditions and for many years to come, are incapable of application.

Mr. GARLAND (Bow River): They are followed in this bill.

Mr. ERNST: The hon. member for Bow River (Mr. Garland) made the same statement this afternoon. For the reason I have given I should not like to see them in power in this country but, Mr. Speaker, if we had not had radicals—I am not saying in this house alone, but in the world—I wonder whether civilization would not have almost halted. Many a radical, far out in advance of the practical, has been of inestimable benefit to the people of his country and to the people of the world. I have not the slightest doubt that when Wilberforce began to advocate the abolition of slavery he was classed as a radical by those around him, and I remember reading

that even royalty, in the last century, classed the staid and proper Mr. Gladstone as something of a radical. I look upon a radical as one out in front with a lamp, sometimes showing us where we should go but more often showing us where we should not go, though in any event giving good service to the country and to the world.

I have transgressed further upon the time of the house than I had intended, Mr. Speaker. It seems to me that those who oppose this bill fail to realize that the world is moving forward. The world is on the march; times and circumstances are changing with great rapidity, and if we are to keep pace with the world we must move forward. If we fail to move forward, just as surely as fate we will be engulfed in the tide of difficulties which follows every forward march. The world has moved forward since the dawn of history; sometimes the path has been tortuous and usually it has been difficult. I see in this measure—perhaps it is done unconsciously, so far as the government is concerned—some degree of planned economy. It is my view that planned economy, or socialism, is going eventually to be accomplished. Personally I prefer planned economy. This measure has been called socialistic by hon. members who sit opposite. It is not, because if they would read it they would find that it does not destroy capital or take away profit, both of which form part of the capitalistic system. At least for the present time I believe in the capitalistic system, but not in that capitalism which was allowed to run riot in the years gone by. I repeat that hon. members who oppose this bill are ignorant of what is going on in the world around us. I do not use the word "ignorant" in an unkind sense, but I do say that they have failed to grasp the realities of the situation and the fact that the world is changing. Personally I feel that when I vote for this bill I am voting for something which will put us on the path to progress.

Mr. MARTIAL RHEAUME (St. John's-Iberville) (Translation): Mr. Speaker, I closely followed the speeches delivered by hon. members opposite who are in favour of this bill. The comments of the hon. member for Queens-Lunenburg (Mr. Ernst) who has just sat down have not convinced me of the merit of this bill.

The hon. member stated that his party had the support of the small group at the extreme left. For some time past, the two parties seem to agree, and according to the statement of the hon. member for Vegreville (Mr. Luchkovich) he seemed quite astonished at the attitude of the Liberal party as regards this measure. In another speech, he stated that, in the course of his parliamentary career, he had been designated under various names, but never as Liberal. May I say to the hon. member that the bounds of the Liberal party are too broad to include him because he is too narrow-minded. That is why he is a member of the C.C.F. whose ideas clash with those of the Liberal party.

I think, sir, that this famous bill rather forms part of the Conservative party's campaign literature for the next election. I read this bill twice. If I refer to the debate which took place in the house, yesterday, between the leaders of the Liberal and Conservative parties, I must conclude that opinions differed while the ruling of the Speaker finally leaned on one side; in fact, as in all decisions.

Briefly, I must state that the more this bill is discussed and examined, less we understand it. Nothing definite is mentioned, it is a bill which, when distributed in rural sections, will allow every member to interpret it as he pleases. I also think that this bill is introduced so as to further help the trusts. Farm products are selling less and less since 1930. I am of the opinion that the only way to help the farmers in order that they may receive reasonable prices for their products, would be to find them markets, as the Liberal party did before the Conservative party took office, in 1930; there will then be no need of creating a Dominion Marketing Board.

Let the government be bold enough to break up coalitions and wipe out the trusts, allow free competition on markets where farm products are sold, and I am certain that the farmers will receive profitable prices as they received previous to 1930.

A few years ago an investigation was held in connection with milk. It was stated before the committee that a trust existed in Montreal. The Conservative party had not the courage to interfere. I have here the Monthly Farm Bulletin of the Bureau of Statistics for January, 1934; at page 34, the price of milk is given for 1927 to 1934, at Halifax, Montreal and Toronto. They are the retail prices. At Halifax, milk sold at 27 cents per gallon between 1927 and 1932, and 23 cents between 1932 and 1934; a difference of 4 cents only. Why? Probably no trust existed there as in Montreal. During the autumn and winter of 1929-1930, milk sold between 28 and 32 cents per gallon, in Montreal, and during the winter of 1932, 13 cents. In Toronto, in 1930, between 28 and 30 cents, and in 1932, 15 cents. I think no such difference should exist in the price of milk; if one compares the price of

milk, in 1932, in Montreal and Toronto with the price paid in Halifax the difference in the price is double. The dairy companies in Montreal bear various names; however, the owners or shareholders are the same. That is why farmers cannot obtain fair prices for their milk.

I am better acquainted with the marketing of cattle. A section of Bill No. 40 which was enacted a few days ago, compels any one who wishes to ship cattle to apply to the Minister of Agriculture so as to obtain a licence. When this bill was discussed in the agricultural committee—although I have not the privilege of being a member of this committee, I was present at a number of sittings—a conservative, perhaps, the best qualified on this subject, the hon. member for Marquette (Mr. Mullins), protested against this section, because he thought it would restrict competition. The minister will grant licences to whom he pleases. The right hon. Prime Minister (Mr. Bennett) stated in the house recently that when any person has a complaint to make, he should make it to the government and not to his member. I am quite aware that if one's representative is a liberal, it is futile to request fair play. I therefore conclude that in order to obtain a licence from the Department of Agriculture, one must necessarily be a conservative. This does not agree with the statement made by the hon. member for Marquette who advocates free competition in the cattle market in order that farmers may obtain better prices.

At the committee which investigated the spread of prices and mass purchases, the hon. Mr. Parker, Minister of Agriculture, in Saskatchewan, and the hon. Mr. Mackenzie, Minister of Agriculture, in Manitoba, advocated a federal commission to investigate all the phases of the breeding and marketing of cattle, so far as domestic trade and exports are concerned. I have here some of the evidence taken at that committee. On April 19, Mr. Mackenzie of Toronto, a butcher, who is no more connected with any company but was in the employ of Gunn's Limited for 22 years and manager of the beef department of the Canada Packers for 5 years, stated that when in the employ of the Canada Packers he had eight purchasing agents under him. He even told the committee that the purchase price was fixed at a meeting held by these eight purchasing agents, after consulting with the agents of Swift Canadian Company. In giving evidence this gentleman, moreover, stated that the Canada Packers purchased 68 per cent of the goods which were shipped to the Toronto market, and that Swift Canadian purchased 32 per cent. Faced with the evidence of an absolutely independent butcher such as Mr. Mackenzie, will the government not have the courage to put an end to the speculations of these profiteers? It might, perhaps, be stated: These companies purchase their goods at low prices, they are therefore in a position to sell them cheap and the consumer thereby benefits. But such is not the case and I know what I am talking about. Ever since this trust was formed, in 1927-1928, the companies of Gunn's Limited, Davies, Canada Packing and Harris Abattoir, are controlled by the Canada Packers. Previously, four salesmen travelled throughout Quebec in order to dispose of their goods, they came to Saint John as well as other cities. There were therefore four salesmen competing with one another. To-day, there is no more competition, we are at the mercy of one salesman or rather of two if we include one from Swift Canadian Company. As I stated just now, according to the evidence given by Mr. Mackenzie, the latter company purchases about 32 per cent of the goods sold in this country. For the remainder, the farmer, the breeder of hogs, calves and steers must accept the conditions of a company which purchase over 50 per cent of goods that are sold and which controls the market of butter, eggs, pork, hams, and all similar products. These two companies have no favours for small dealers, they are all for the trusts. They deal with the companies known as the Atlantic and Pacific, Dominion Stores, Stop and Shop, etc. These chain stores pay 1 cent or 1¼ cent cheaper than the small dealer, the corner grocery store, and carry on an unfair competition by only selling for cash. Yet the government does not interfere! At present there is a committee of the house holding an inquiry, still the government introduces this bill before receiving the report of this committee.

I state, sir, that the government must necessarily consider this question and go to the root of the evil. The farmer is shamefully fleeced by the dairy and meat trusts. The government held an investigation in connection with coal companies and what was the result?

They did not even have the courage to lay on the table of the house this report, it was hidden away. An inquiry was held on tobacco, and when a member requested that this report be tabled, it was held back for a long time. Does the government lack courage?

When it is a question that might effect the interests of large subscribers to the election funds or friends who stand high in the conservative party the government shows a lack of courage.

In the inquiry on coal it was proved that the people of Quebec were being fleeced. The small dealer is not guilty in this connection, he simply is an agent for a wholesale merchant and the latter fixes the price. There are never two agencies, in the same city, for coal which bears the same trade mark, probably because this might create some competition. As trusts prefer to deal among themselves, it is practically impossible for the small coal dealer to make both ends meet, and the consumer is the one who is fleeced.

I wish to again refer to the statements made before the committee. If hon. members opposite desire, they may read the evidence which was given by Mr. McLean, president of the Toronto Packing Co., at a sitting of the committee, held on March 7, 1934. This witness stated that there was no agreement between companies, yet Mr. Mackenzie asserted that sometimes it was agreed beforehand to pay half a cent or one cent less per pound of meat. Do hon. members opposite realize what half a cent or one cent less per pound means? On a average steers that are sold on the market weigh 1,000 pounds; one cent less per pound makes a difference of $10 per head. This means that a farmer who has eight steers for sale is only paid for what five steers would sell and therefore is giving three away. That is where the evil lies.

The intention is to fix the prices. I have here the Trade Information Bulletin for April 21, 1934. At page 243 under the heading "Trade imports of meat and cattle of the United Kingdom," I find the following paragraph:

> One does not always realize that chilled beef is not considered or dealt with like a product which can be kept in storage. Its condition is at its best after its arrival on the British market. A committee of distributors on the Smithfield market fixes the quantity which should be offered each day for sale, and the placing of these quantities is done as much as possible in proportion to the tonnage which each consignee disposes. What is offered for sale each day is sold and the sales effected as a matter of course at the end of each business day, so as to market the stocks for that day; this is done at times at a much lower level.

How can one fix the prices of meat on the market? If the quantity of meat offered for sale on the market is too large one day what would happen if all sales were suspended or should it be decided that not a steer or calf graded as first quality should be sold less than five cents per pound? When a farmer or a dealer ships a carload of calves to the Montreal or Toronto market and those companies do not require them or will not pay five cents per pound, what becomes of the calves? Will the farmer stuff them in his pockets and bring them back home? Someone might say: Slaughter them and put them in cold storage. Will this remedy the evil? This meat to be kept in storage must first be frozen, and when frozen it will not command the price of fresh meat. To keep it in cold storage? That means a further outlay, as someone must take care of this meat. If it is left in cold storage two, three, four, five or six months, what will be the cost? Will this meat then be put on the market and compete with fresh meat? When an hon. member wishes to purchase a piece of fresh veal, he will not accept frozen meat instead if he happens to know the difference. I see the hon. member for Jacques Cartier (Mr. Laurin) who nods his head affirmatively. I know that he is a connoisseur, and enjoys a good meal. Even if he were told that fresh veal sells 20 cents per pound, while frozen veal 10 cents per pound, if he wants fresh meat he will pay the higher price.

This veal which has remained in cold storage for five or six months has to be sold. What will be the price? In fact, it would have been more profitable to the farmer to accept four cents at first and return home with the money in his pocket. If he happens to be a dealer, will the bank loan him the money? Probably, but at a rate of seven per cent, payable each month. After six months of cold storage, he will not be able to sell his meat at a price to cover the cost of the storage and the interest he has paid out. If a real remedy is sought, new markets must be found.

I quote another excerpt of the evidence given by Mr. McLean, president of the Canada Packers:

> Canada has an annual surplus of 250,000 head, and every year up to 1929, Canada shipped to the United States or to England—mainly to the United States—250,000 head. The Fordney-McCumber tariff closed—first partly and then totally—the United States market, to our cattle; and the only market we now have is the very limited market of the United Kingdom which is not to be despised, under the present circumstances. Were we able to ship 100,000 head per year to that country beef would sell 3 or 4 cents more.

Mr. McLean is not a Liberal, he is a good Conservative. He is a friend of the financier, Sir Joseph Flavelle. What does he suggest? He suggests to open up new markets. We will then easily dispose of our products. The trusts must be wiped out and competition must be free. As I stated just now, what was done in Toronto where there are four salt meat establishments? They were merged, and to-day, the farmer is fleeced. That is where the evil lies.

The hon. member for Brome-Missisquoi (Mr. Pickel) stated the other day that butter this winter sold wholesale at 31 cents. In March it sold at about 31 cents. Was this butter made during that month? No; it was butter that had been in cold storage since the months of June and July. I am aware that cold storage charges must be paid; however, the spread of prices between 16 or 17 cents and 31 is too great. What steps are the government taking to protect the consumer?

I wish to point out that an important factor in the decrease of prices is the reduced purchasing power of the workmen. A number of my clients were in the habit of purchasing seven pounds of butter per week. From 1931 their purchases gradually decreased. To-day they only purchase two or three pounds, and some weeks they have not sufficient money to purchase any. Some families consumed as much as 25 pounds of meat, while to-day with the dole system they are given 10 pounds.

Markets must be found to dispose of our cattle, butter and eggs. There must also be markets to sell our manufactured products so as to permit our manufacturers to open their doors. Last year a manufacturer of Saint John lost a million dollars' worth of business because we had no trade treaty with France. Is France not one of our best wheat clients? The government neglected this client, but amused itself in raising the tariff. The right hon. Prime Minister stated that if we wished to trade with other countries we would have to grant a bonus to industry. I do not think that the government should act differently than business men who do not pay their clients so that the latter must necessarily purchase from them. The business man must seek his client to do business with him; therefore the government should negotiate trade treaties and endeavour to find markets. If such a policy was followed there would be no need of regulating products.

If the government regulates the market they will have to do the same for production. If production is interfered with, the government will come in conflict with the laws of nature. Last year, for instance, the manufacturers of canned goods contracted for peas of 60, 70 and 80 days of growth, and it so happened that the 80-day crop was a complete failure. During the winter of 1932-1933, barns were full of hay. Last June, when the crop failed, price of hay went up. Notwithstanding these facts, the government informs us that the price of farm products is increasing. I would much prefer that the government informed us that prices were going up because of trade treaties with other countries.

I have here the speech of the hon. member for Brome-Missisquoi, for whom I have much esteem; however, I find that his statements do not always agree with facts. Having shipped to Montreal tuberculous cattle on the same day as a neighbour of his, he complained that his neighbour received a better price for his cattle, although he contends that his cattle were of a higher grade. He does not state that his neighbour was cleverer than him; however, that is the conclusion I draw from his remarks. His neighbour telephoned to the inspector located in Montreal so as to inform him that he was shipping cattle and requested him to send someone to the slaughter house in order to see that he received a fair price for his cattle. Someone was sent and his neighbour was paid $25 per head, while he himself, having no one to represent him, received but $24 for five steers. I do not know whether this man was a federal inspector. Something went wrong or the inspector had some influential friends because it sometimes happens that when it is a matter of fleecing a farmer very little scruple is shown; in this case what probably happened was the grades were changed and the money which should have been received by the hon. member for Brome-Missisquoi was pocketed by his neighbour.

The hon. member for Brome-Missisquoi is quite right when he asserts that farmers cannot ship eggs to the Montreal market without receiving a report that they are of an inferior grade. Country dealers are treated likewise. Why? It is because the grading is done by employees of the dealers who purchase these eggs. If the grading was done by government officials, it would be more impartial and the farmers would receive a fairer treatment. I quite believe the hon. member for Brome-Missisquoi when he states that one can have a case of the best graded eggs sent from Montreal, then, after the eggs have been changed, the case is shipped back to some dealer, a report is then sent that 50 per cent of the eggs are of an inferior grade.

Since the hon. member for Brome Missisquoi has exposed these facts to the house, why does the government not take the necessary steps to remedy the situation? Why does the hon. Minister of Agriculture not appoint inspectors instead of giving positions to political friends who have been hanging around the lobby of the house ever since the beginning of the session? There are well qualified persons who would be very pleased to fill such positions, even at the minimum

salary which the government offers. At least, they would protect the farmers and it would be fairer to them.

How do you expect the consumer to purchase, for instance, butter when this year he has to pay for two pounds of butter what he paid last year for four pounds? The government cannot regulate the marketing of farm products and increase the price when the consumer is starving! The farmer also is a consumer. How many farmers, in this country or even in Quebec, live entirely on what they produce on their farms? I do not know any. All admit that the purchasing power of the western farmer has decreased. I know some farmers who, in the past, purchased goods for an amount equal to the sale of their entire products. How do you expect the farmers to earn a livelihood when they sell their milk at 13 cents per gallon. Some farmers in my district received, in the past, as much as $225 per month for their milk while, to-day, they only receive $110. Therefore, has not their purchasing power decreased?

Mr. DUGUAY (Translation): Will the hon. member allow me to put a question to him?

Mr. RHEAUME (Translation): Certainly.

Mr. DUGUAY (Translation): Will the hon. member be so kind as to inform the house whether he is arguing in favour or against the bill?

Mr. RHEAUME (Translation): Against it. There is nothing in the bill which might help the farmers. From the very outset of my speech, I think, I made this clear. If the trusts in connection with the marketing of milk, butter and eggs are abolished, prosperity will return to our rural districts. Open up markets. The house has heard the statement of Mr. McLean to the effect that there is only one way to enhance the price of beef from $3 to $4 per cwt; it is to open up markets. When we had markets under the Liberal regime, did the farmers complain? Were not the workmen employed? It is futile to endeavour to cure a patient if the ill is unknown. And the farming class suffers from the greatest ill. The moment the farmer loses his purchasing power, the manufacturer cannot dispose of his goods and the workmen cannot work. There is but one solution, open up markets. Give our manufacturers the advantage of exporting their goods so as to give work to our people. Workmen are not inclined to be stingy, when they have money they spend freely. During the war they paid potatoes $7 a bag and as much as 80 cents a pound for butter. In those days they were earning and could afford to pay such prices. To-day they can purchase potatoes at 40 cents a bag but they have not 5 cents in their pocket.

Before submitting a bill like the one under consideration, which means nothing and is simply an empty piece of legislation, let the government carry out the scheme suggested by the Ministers of Agriculture of Manitoba and Saskatchewan. The hon. Minister of Agriculture (Mr. Weir) no doubt is personally acquainted with the Minister of Agriculture of Saskatchewan who has offered to cooperate with him and moreover, is not a Liberal. If the government will not accept the cooperation of members on this side, let them accept that of the hon. Minister of Agriculture of Saskatchewan. No doubt he is a good Tory.

My suggestions sir, are these: let the government abolish the trusts, let them do as in the United States get down to work. I am not against the capital system. No, however, I am opposed to organizations which fleece the people, the producer and the consumer.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. A. U. G. BURY (East Edmonton): Mr. Speaker, very early in this debate it became apparent that His Majesty's opposition was a party of divided counsel; that it did not speak with one voice because apparently it possessed little or no unanimity. In fact, four distinct positions have been disclosed during the course of the debate. First, there is the position of the right hon. leader of the opposition (Mr. Mackenzie King); second, there is the position of the hon. member for South Battleford (Mr. Vallance); third, there is the position of the hon. members for Weyburn (Mr. Young) and Ontario (Mr. Moore), and, finally, there is the position adopted by the former Minister of Agriculture (Mr. Motherwell), which is entirely different from the other three.

The position of the leader of the opposition was stated very clearly at the commencement of his speech. He does not object to the principle of the bill as we understand its principle, but he does object to certain features which spring from that principle. I mention this because at the commencement of his speech the hon. member for Ontario stated that he had not observed that his leader had approved the principle of the bill. What is

the principle of the bill? It is simply the regulation and control of the movement and marketing of goods to the export markets. The hon. member for Ontario made it very clear that that is what he conceived it to be because in explaining why he would not follow the argument of the hon. member for Regina (Mr. Turnbull), he stated that he would not do so because he wished to confine himself entirely to the principle of the bill. From then on I think I can say truthfully that his speech was confined exclusively to the merits or demerits of control or interference with the individual freedom of the producer and with marketing. On the principle as so stated the leader of the opposition not only declared his own personal attitude but spoke, whether with authority or not, I cannot say, for his whole party. He said: "Liberals stand for regulation and control," and later on: "It is generally agreed that regulation is necessary." Once you have established that principle, the other questions of the amount of control and authority to regulate which shall be given, the particular body in which that regulating power shall be vested, and the means, method and manner in which that regulating control shall be exercised, if properly speaking principles in the strict sense and not merely details, are at the best very subordinate principles which might very well be left to the committee stage.

The leader of the opposition placed great emphasis upon his objection to the bill because of its being an attack on the constitution. I think I am safe in saying that there has not been a major measure introduced in this house by this government, from the time it came into office in 1930 until the present time, to which that objection has not been raised by the leader of the opposition. So often and so regularly has it been made that I think hon. members, not only on this side but many of those opposite and the country at large, have come to the opinion that a constitution which has been so overworked should be given a rest—put out on grass for a while. The charge, however, has been answered very effectively by the hon. member for Regina. That hon. gentleman has smitten the right hon leader of the opposition between the joints of his harness and, to add insult to injury has done it with a shaft taken out of the opposition leader's own quiver. I am aware of the fact that the Canadian Wheat Marketing Act of 1922 is no longer in force; I am aware also of the fact that the argument of the hon. member for Regina is not an absolute answer, being a tu quoque one. And we on this side of the house would be the last people in the world to think that because the leader of the opposition had adopted certain principles and had embodied them in a bill, therefore they were sound ones and we should be right in following his example in our legislation. While that is all true, there is a measure of poetic justice in a man being levelled by a shaft which his own fingers have feathered. And the right hon. gentleman's harness is uncomfortably full of joints and his quiver inconveniently full of just that particular kind of shaft.

The second argument which the leader of the opposition levelled as an objection to the bill was that it restricted marketing and made for monopolies. I am going to ask the house in its sheer, cold sanity to answer this question: Which course is more calculated to restrict marketing and to make for monopolies, the course in which every producer and exporter is allowed to produce and export whatever he chooses regardless of quality, of grade, of condition, of volume or of time, insisting upon his own individual right to do what he likes with his own product, whenever he likes, in any measure he likes and in any way he likes? Or the course of regulating the flow of those products on to the market and of securing that their quality, their grade, their condition, the time of their delivery on the market, shall all be so chosen and so determined that their effect on the market shall be most beneficial to the traders and producers themselves? Only one answer can be made to that question, an answer which does not require any hesitation or doubt. The question itself carries its answer on its face. If you want to destroy, not to say restrict marketing, you will do it with a vengeance and with velocity, if you follow the first course, and the velocity will be an increasing one until it stops altogether by reason of the process of exhaustion because there is no more trade to restrict; it will all have gone. As to monopolies, is the policy of the bill calculated to produce monopolies? I am not a business man and therefore I speak with bated breath and whispering humbleness in the presence of men who have forgotten more business knowledge than I ever had or ever shall have, but it appears to me that the conditions that make for monopolies are not so much the conditions of prosperous trade, when the individual, robust, lusty and ambitious trader is able to make a profit and to remain in business and continue competition—not that condition of things, but such a condition of

trade that the profits of trade dwindle and almost disappear, when individual traders are wiped out because of that, and men who remain in business are forced to combine in order if possible to preserve a little bit of the business that is still left. I may be wrong, but it seems to me that what will foster trade and promote its prosperity is not an influence that will make for monopoly; and in so far as it may do so, such monopolies can then be more easily dealt with and curtailed or restrained.

The right hon. gentleman advanced another argument which deserves some notice. He objects to the bill because it involves the extension of state functions, and he contends that the extension of governmental functions is absolutely impossible without bureaucracy. A moment ago I asked the house to consider and answer one question. I would ask the leader of the opposition to consider and answer another one which I now propose, and which, since he is not in the chamber, he may read, if he so desires, in Hansard. Was his own government, holding power from 1921 to 1930, a bureaucratic government? If he were here I should be able, I imagine, almost to feel even at this distance, the heat of indignation engendered by the question. To accuse the Liberal government, of which he was head from 1921 to 1930, of bureaucratic proclivities or practices, or of manifesting any symptom or sign of bureaucracy, is as near blasphemy as anything can be in political controversy. His government, the pure flower of unadulterated democracy, bureaucratic!

Yet let me remind the house that the whole history of the development of government has been nothing more than the extension of the powers of the government and of the state. When you go back to the early history of British government and the evolution of British governmental institutions, back almost into the mists of early history, you discover that the functions of government were very simple, very few, rudimentary and crude. To keep the king's peace between the lieges of the realm; to defend the realm and the lieges of the realm from attack from foreigners; to raise levies and dues that were proper to the king for himself personally and as representing the state, for the maintenance of his dignity and for the well-being of the state; and to dispense civil justice as between liege and liege—these, in brief, were the simple and few functions of government at its beginning. And the whole process of history has been to add to them century by century.

Did anyone raise the cry of bureaucracy in the House of Commons of Canada until 1934? I had not heard so. The right hon. gentleman stepped into a government that had grown by this process, yet he never seemed to experience the slightest difficulty or inconvenience about exercising its functions because it was bureaucratic. Does he think he can stop this movement to-day? He cannot stop it. It must go on; government must take to itself greater powers and rights for the well-being of the people as a whole. In his horror of bureaucracy the right hon. gentleman went out of his way, no doubt through sheer kindness, to give a warning to the leader, or one of the leaders of the group in the corner. He told the hon. member for Winnipeg North Centre (Mr. Woodsworth) that this bill was not conceived or framed or brought into the house for the ostensible purposes for which it appears to have been brought in. No; it was brought in as a web to catch the unwary feet of the hon. member for Winnipeg North Centre. What a hope! I am not going to follow the right hon. gentleman in his argument, for the realm of cobwebs is one in which he is far more at home than am I. His whole speech was filled with them, fine-spun theories which he wished us to take for facts, and gossamers which he wished us to accept and build upon as substance. Well, spinning and weaving are very admirable and interesting occupations. They kept one lady very much out of trouble for twelve years while her husband was gadding about in foreign parts. To prolong her task she found indeed that she had to unweave what she had woven. I think sometimes that the right hon. gentleman himself often follows her example and unweaves much of what he had previously so vigorously woven. But while it may be interesting as a pastime, I suggest that if he wants this house and the people of this country and even some of the members of his own party to hang the whole weight of the trade of Canada on the fine filaments he has spun in his brain here in this chamber, not this party nor the country nor I think many of his followers will be willing to take that risk.

Let me turn to another objection which he has advanced. It is the objection that a certain local group in this country can devise a scheme and force it as law upon society when it has been approved by the minister. Well, there are just a few small mistakes in that statement; they are very trifling and not of much moment. It is not a scheme that is enforced on anyone. It is a law. It is not enforced on society, as I understand it, but on a group of producers. Nor is it en-

forced when the minister approves it; it is not enforced and does not become law until the governor in council approves it. If I do not shock the modest susceptibilities of hon. members may I illustrate it in this way: It is conceived as a scheme by the local body; but it may be stillborn. If the obstetrical science and skill of the dominion board brings it to a healthy birth, it still is only a scheme and not a law. Not until the governor in council cuts the umbilical cord does it become a separate entity with a really separate, independent existence, and then it, as Shakespeare's "Pity" in Macbeth, "like a naked new-born babe, comes striding the blast." Then it becomes law. And when it becomes law, it becomes so not because it is a scheme of a local board, nor because it is a scheme that has been approved by the Minister of Agriculture, nor yet because it is a scheme that has been blessed and sent forth by the governor in council; it becomes law by virtue of a statute of this house, passed by the other place and assented to by the crown.

Before I leave that, may I say this further word: the right hon. gentleman objects very strongly to the idea of compulsion, compulsion that is by any authority other than parliament, which, of course, can exercise all the compulsion it wishes. All I can say is that one member and he, by no means the least stalwart or vocal of his followers, who represents the riding of South Battleford (Mr. Vallance), is at issue with him there. The hon. member for South Battleford said very frankly: Why, that is the reason the wheat pool failed; it failed because it had not compulsion; we want compulsion and we want it, not by parliament but by the producers. Oh, oh! Who speaks now about the danger of monopolies? In the bill the compulsion is not by the producers but by parliament in a certain way after certain safeguards have been observed. But let me come back to the hon. member for South Battleford. He is, I am afraid, the Achan in his leader's camp. He has cast lustful eyes on that accursed thing, compulsion, which he wants for himself and his fellow producers. And he is brave, bold; he knows his opinions and does not fear to voice them. When he sees his right hon. leader coming through the camp searching for the accursed thing, compulsion, to find where it is hidden and housed, he comes boldly out of his tent door and asks: "What are you looking for?" "I am looking for the accursed thing, compulsion." "Well," he answers, "I have it right in here; what are you going to do about it? Are you going to take it away from me? I found it, or at least, if I did not find it, I got it. It is my wedge of gold and Babylonish garment, and I can't see why you should take it from me." What will the right hon. gentleman do? He cannot very well ask the ground to open up and swallow the hon. member and the accursed thing, because the ground might open up too widely and might swallow him as well as his recalcitrant follower, and the wedge of gold and Babylonish garment.

[Mr. Bury.]

We will leave my right hon. friend himself to extricate himself from that dilemma; because I wish to deal with another objection raised by him. It is this, that the definition of "natural products" includes boots and furniture. I could hardly believe my ears when I heard that. I turned up the clause in question to read the wording of the definition. The hon. member for Regina (Mr. Turnbull) dealt with the matter in part, but he dealt with it only on the assumption that it came within the second limb of the definition which has to do with food and drink. Nobody for a minute ever supposed boots or furniture could very well come under the category of food or drink. Then it must come, if it comes anywhere, under the first limb of the definition, and how does that read? It reads thus:

> "Natural product" means any product of agriculture or of the forest, sea, lake or river.

And there we stop. How can we get boots and furniture into that definition? Well, I give the right hon. gentleman a present of the furniture, but I should like to say something about the boots. As I was thinking over the matter a ray of light—perhaps that is an understatement—a flood of light swept into my darkened understanding and I wondered how it was the Minister of Agriculture (Mr. Weir) had overlooked such a palpable fact; for though this may not be so in his part of the west, there is in my part a little plant which grows in the woods and on the prairies and which they call lady's slipper. And after all, it is no strain of English or of concepts to pass by a quite simple, rapid and short transition from lady's slippers to ladies' shoes and from ladies' shoes to ladies' boots and from ladies' boots to men's shoes and from men's shoes to men's boots, and there you are.

Mr. McINTOSH: And Dutchmen's breeches.

Mr. BURY: If a responsible leader of a responsible party thinks it well to argue along such lines, I hesitate to say what effect his other arguments will have upon the ordinary men of the street or upon the ordinary members who sit on the back benches of this side of the house. For me it certainly discounts much of his other reasoning.

May I turn for a minute, in the time that is left to me, to the speeches of the hon. member for Weyburn (Mr. Young) and the hon. member for Ontario (Mr. Moore). When I listened to the hon. member for Weyburn I could not help thinking of two works of English literature. There was an Englishman who lived at the end of the seventeenth and the beginning of the eighteenth century named Edward Young, I have no doubt an ancestor of my hon. friend. He is known to posterity and literature as the author of a very voluminous work, I think in nine volumes; I never had the courage to read them because I have nightmares enough naturally without adding to them artificially. His work is entitled Night Thoughts. The second work that was brought to my recollection in hearing the hon. gentleman's speech was a very exquisite little lyric of two verses written by an Englishman who died in 1921 and who therefore was a man of just yesterday, F. W. Bourdillon, whose lines are known to nearly everyone in the house:

> The night has a thousand eyes,
> The day but one.

The second verse commences:

> The mind has a thousand eyes,
> The heart but one.

And the moral of the verses is that the thousand eys are no good and the only eye that is good to give light either in physical or in moral or mental matters is in the one case the one eye of the day, and in the other the single eye of the heart. It seemed to me, as the hon. gentleman was speaking, that in order to damn a bill with whose principle he absolutely disagreed, instead of addressing himself to the principle, he went back to his ancestor and to Bourdillon and borrowed the thousand eyes of his ancestor's night to scrutinize meticulously and microscopically every clause and subclause, every phrase and word which might by any conceivable method of misrepresentation or twisting be made liable to abuse. Then he heaped all those words and phrases, clauses and subclauses, with their gigantic and innumerable possibilities of abuse on the floor in the centre of the chamber and asked: How can you gentlemen pass a bill that is liable to such enormous and multitudinous abuses? May I just remind the hon. gentleman through Hansard, because he is not present, that there has never been an act put on the statute books of this country, passed by this house and by the upper house, that has not been almost in every clause capable of abuse. If you are not to pass any bills because they are capable of abuse, you will never pass any bill in the House of Commons of Canada.

Now I should like to say a word or two with regard to the very moving and weighty speech of the hon. member for Ontario. The hon. gentleman is an avowed apostle of laissez-faire; you might sum up all that he had to say by way of argument on this bill in two words: "Hands off." Don't interfere with the principle of free production and free marketing by the individual. The work of production and of marketing are the twin arks of the cult of industry and trade, and the impious hands of no government, nor of any board created by a government, must be allowed to be stretched out to touch them for the purpose of steadying them, however much the carts on which they go may threaten to overturn. But a hundred pairs of other hands, thrust forward from every direction over the whole of this dominion, animated by any and every motive that may be conceived and, working for any different end, may push and jostle, shake and rock those arks to imminent disaster, and yet nothing will happen. Why? Because nature, as she has laws in the physical world, has laws in the economic world also, and nature will so operate through her economic laws, under and through, over and upon these two hundred hands working from different directions and for different ends, as to resolve all their conflicting forces into one resultant which will establish steadiness and progress.

That is a wonderful picture, Mr. Speaker, but is it anything else? Have we not known in the history of Canadian trade and of the trade of other countries that this theory will not work? Have not other countries awakened to that fact and determined to put into operation the principle which is embodied in this bill? Are we not to-day facing the competition of those other countries? What will be the fate of our trade unless we are prepared to adopt the part of wisdom and regulate our exports?

Let me take another line. I am not now concerned with the producers; I am conconcerned only with the great mass of humanity in Canada whose welfare depends upon the trade of this country. Burke has a wonderful phrase, true in part and false in the remainder. He speaks about a great body of people "who have been doomed by providence to live upon trust." I deny the "doom" as I deny the "providence;" but I admit the "trust." I cannot think of a more tragic condition than that great numbers of the people

of this country, for the last four years and more, have been compelled to live so terribly upon trust. Most of us here do not have to live upon trust; we have something more substantial at our backs. There is no need for trust in our case, and therefore we do not know what it means for a man to come home day by day, week by week and not know whether or not he will have a job next week or next month. People who, by hard work and thrift, saved a little money, bought their own homes and put by a little money in the bank for a rainy day have been forced out of employment in the last four years and have seen their little reserves dwindle away as a man sees the blood flow from his body through a wound, sees himself get whiter and whiter and wonders whether any person will come to staunch the flow before the blood is all gone. Many of these people came long ago to the day when they had to go home and say, "I am out of a job." They still had their little home and a little money in the bank, but how long does that last? Taxes mount up; the little money in the bank goes and finally they lose their home. Then they have to live, not upon trust because they have nothing to trust, but upon relief. I can imagine what this must mean to a man and woman who have never gone through that experience before; who, almost to the days of their old age, have been self-sufficient, self-supporting and self-respecting, and who have never asked for help from anyone. Now, because of economic conditions, they are in danger of losing their self respect, their sense of self confidence and their morale. It is nothing to laugh about. So I say that if this bill will do one ounce of good in the improvement of the trade of this country I will support it with my whole heart.

That is what we need; we must have improvement in our trade. We cannot play fast and loose with the trade of Canada, and if that trade is suffering by reason of uncontrolled marketing in foreign markets and in Great Britain, the only great market we have to-day, then I say it is the duty of this house and of this country to support any measure that will bring back trade and that will enable us, in competition with the regulated trade of other countries, to secure that which we have been given a chance of securing and keeping through those great imperial agreements which were obtained by this government two years ago.

I am afraid I have trespassed unduly on the time of the house, but I should like to add one remark. The right hon. leader of the opposition speaks of this bill as a breach of constitutional right and custom, and others characterize it as a radical, revolutionary measure. I say it is not a radical, revolutionary measure; it was as inevitable as the rising of the sun. It is the correlative of the demand on the part of the producers for the assistance of the government. The moment any body of producers comes to a government and says, "We are a key industry of this country, and the well-being of the country depends upon our being able to carry on our business successfully," whether they be wheat producers, coal producers or any other body of producers, at that moment is created the right of the government and of the people of the country, the taxpayers whose money must be used for this purpose, to say, "We have the right to know that your business is being carried on efficiently and economically, and that our money will not be thrown down a sink hole." That is an absolute correlative right enuring to any government as the result of any form of assistance, whether it be by means of subsidies, lower freight rates made possible only by government payments or anything else; it is the right of the taxpayer who supplies the money to see that the business of the producers and exporters is carried on as effectively and economically as possible.

I can imagine the individual producer meeting the first representative of the board with the question, "Who are you?" The answer, of course, would be, "Well, I represent the marketing board," to which the producer replies, "What do you want?" The inspector answers, "I want to see what you are exporting; I want to see your product. You must have it graded, because we are trying to prevent low grade products, or products of inferior quality or in inferior condition from going to the markets of Great Britain."

Mr. VALLANCE: The producer would put the dog on the inspector.

Mr. BURY: His answer to that—if the hon. member for South Battleford (Mr. Vallance) can contain himself—is this: "These are my products; you did not raise them. I raised them on my farm, by my work, and I paid for the labour with my money. They are my products. And that market across the Atlantic ocean, in Great Britain, is my market." That is what he says. Is he right? I say emphatically he is not right. It is not his market; it is the market of the Canadian people. It is the market which every other producer may use equally with him, and he has no business, no legal right, no moral right

by wrong and careless marketing of his products to injure that market for all other producers.

Mr. PAUL MERCIER (St. Henri) (Translation): Mr. Speaker, the preamble of this bill No. 51, under consideration reads as follows:

An act to improve the methods and practices involved in the marketing of natural products in Canada and in export trade, and to make further provision in connection therewith.

I see in this bill a total upheaval of trade in Canada. Up to the present, our Canadian trade was highly organized. We have in London, a High Commissioner, in other countries, like France, Japan and the United States, legations; in every country trade commissioners; provinces have even their own trade agents in all European countries. The provinces of our Confederation have burdened their budget in order to send to these countries of Europe and even Asia, representatives, experts in trade, who keep in close touch with the provinces in order to market most advantageously the products of this country. The department of Agriculture was in the best of shape when he left office in 1930. Heads of industries also did their utmost to carry on trade relations so as to sell their products on the markets of the Empire and Europe. To-day, in considering this bill, I find that the situation in Canada seems desperate; the government desires to upset and reorganize everything, it is intended to set aside provincial cooperative societies and other associations of farmers organized not only to improve farming methods but also to instruct farmers in the best methods to sell their products on the Canadian markets. All this is to be set aside and trade conditions in Canada are to be regulated.

First, the principle of the bill is wrong, it is wrong because it interferes with the practices and the privileges of the province of our Confederation. It is wrong because it invades the prerogatives of provincial governments which have organized their own methods of farming in connection with dairy products, cattle breeding and all things connected with agriculture and the dairy industry. Moreover, this bill sets up federal interference in private organizations. I contend that the government has no right to act thus, that this bill is ultra vires, nor has it the right—as the hon. member for Edmonton East (Mr. Bury) has just stated—to tell the farmers: Your products do not belong to you, they are the property of every body. Since the effort was a personal one, the farmers should have the right to trade as they please. In these times of modernism, when everywhere are to be found innovators whose ideas have absolutely nothing practical and who advocate principles which cannot be put into practice, the government delights in innovating everything with this bill which, if it were a declaration in a judicial case, it would be subject to as many motions for particulars as there are paragraphs.

I should not like to leave to my children a will thus drawn, because not one of the executors of any court of justice could understand it sufficiently to honestly apply the provisions affecting the various heirs.

Let us examine this bill. What is sought by it? What is the object? What is the Deus ex machina? I should like to meet the person who invented this scheme, the person who taught such principles to the hon. Minister of Agriculture (Mr. Weir) and sought to create such privileges. Perchance are the tariff barriers of our country so high as to prevent our products being exported to the countries of Europe where they could be sold at a profit? Are the agreements of the Imperial Conference, held in Ottawa, not giving the results expected, is the sale of our Canadian products so small that our warehouses, to-day, are too full, and are we producing too much, because consumers have seen their purchasing power decrease?

Does the government wish, by means of this bill, to increase the price of our commodities or natural products? Then it would be a boom for the farmer. However, one must consider those who will purchase these products regulated by the Marketing Board and increase their purchasing power. This purchasing power is too restricted in this country, at present. We have not enough consumers, yet the government wishes to regulate exports and imports. I state that we will have to face a chaos in trade. Never will this be a success in this country, even if it be given a fair trial. This bill is simply a substitution to present to the farmers a sham Messiah just as the government presented to the unemployed in 1930. Some members were lucky enough to slide to Ottawa on butter. Today, the farmers are offered, with the idea of buttering them in the next election campaign, a new scheme which will disappear with the last ballot-box.

Mr. DUGUAY (Translation): The hon. member forgets to state that his party slid down the valley of humiliation.

Mr. POULIOT (Translation): We are not in the valley of humiliation, we are on the war path.

Mr. DUGUAY (Translation): We shall carry the war to Temiscouata.

Mr. MERCIER (St. Henri) (Translation): The hon. member for Lake St. John (Mr. Duguay) is very snappish. He states that we slid down the valley of humiliation.

Mr. DUGUAY (Translation): Your leader is aware of it.

Mr. MERCIER (Translation): My leader made a statement which the hon. member did not understand. He did not contend that it was a valley of humiliation when the question of the Beauharnois inquiry came up, but that it was a short stay in a valley where the sides were steep, however, we have climbed them. May I suggest to the hon member for Lake St. John, notwithstanding all the esteem I have for him, that he should have a good look at the ceiling of this house, because, after the next election, he will never see it again.

Mr. DUGUAY (Translation): I will expect you to help me in my county.

Mr. LARUE (Translation): He is not at your mercy.

Mr. ST-PERE (Translation): Be quiet, there.

Mr. LARUE (Translation): It is seldom that you keep quiet yourself.

Mr. MERCIER (Translation): If we examine this bill, we find that it is divided into four parts. The first, is the minister—one that is not designated, a shadow minister. This bill seems one of the harbinger signs of the result of the inquiry on the spread of prices. Ploughing is done in a very abnormal way in the House of Commons. We are at the plough while awaiting the horses which are held up in committee. This time, so as to be practical and conform to their scheme of upsetting everything, our opponents have put the cart before the horses.

Will this shadow minister be the Minister of Agriculture or the Minister of Trade and Commerce? We do not know for he is not designated. Secondly, the Dominion Marketing Board; thirdly, the local board under the supervision of the dominion board; fourthly, the provincial marketing board. If these four working parts were put in a watch, I would feel sorry for the hands. It would never stop, the watch would never need winding.

Section 3 of the bill reads as follows:

> The governor in council may establish a board to be known as the Dominion Marketing Board to regulate the marketing of natural products as hereinafter provided.

But where are all our trade treaties? It strikes me that this is the home market, the local market of which we heard so much when we sat on your right, sir. However, this home market seems to have disappeared. The government intends to take possession of markets, create numerous channels, organize a commercial system, like a cartwheel, the nave of which will be the governor in council. No mention is made of the number of persons who will form part of this board; we do not know whence these people, these experts will come.

For some time past we have seen many experts in Canada, especially since 1930. For our banking affairs, the government sought an expert overseas in England. For our national ports inquiry the government also went overseas. There were no competent civil engineers in Canada. Where are we drifting to? There was another expert from overseas in connection with the last investigation. Briefly, there are no experts in Canada! Yet, there are men who have attained fame, highly gifted men, in this country, who could have been chairmen of these various commissions. Shall we again cross overseas to find a man having had experience with a marketing board so as to preside over the destinies of this Dominion Marketing Board? Paragraph 5 of section 3 reads as follows:

> The board may, with the approval of the governor in council, employ such technical, professional and other officers and employees as the board may deem necessary or desirable, and such persons shall receive such salaries or remuneration as may be fixed by the board with the approval of the governor in council.

If we possess such men in this country, where are they? In the various departments? Why not allow Canada's commercial organization to remain as it is. Since confederation we have been putting into practice new and improved methods. Why destroy everything in 1934? Why renovate everything? I see no reason to set aside a long experience in trade, agriculture and mines so as to carry out innovations wtih this marketing bill which no one can understand; it is not clear and absolutely impractical.

An hon. MEMBER (Translation): Hear, hear.

Mr. MERCIER (St. Henri) (Translation): Salaries will be fixed by order in council. What will become of the authority of parliament? What will become of parliament it-

self? This board will build, purchase and sell. If buildings are constructed and it is desired to get rid of them, they may be sold. And this without being authorized to do so, when according to the statutes and the regulations of the various departments, no work can be carried out costing over $5,000, without asking for tenders, and no rural post-office can be constructed costing $500 or $1,000, without having the item placed in the estimates and voted. I think it is shameful. To my mind, this provision of this bill detracts from the principles of good faith and sincerity established by our parliamentary usages heretofore. I contend that to act in such a way is to set aside parliament and its authority. This marketing board should not be controlled by a minister who can do any thing he pleases by virtue of this bill, even change a man into a woman. Under the circumstances, at least, parliament should be the legislative body to supervise the operations of this Board and thus protect the producer, consumer, exporter and importer. Section 4 is a whole chapter by itself, it could serve as an epitaph for this government after it has passed away. It is as follows:

The board shall, subject to the provisions of this act, have power (a) to regulate . . .

Listen to this,—it is amazing!

. . . to regulate the time and place of marketing . . .

The time and place of marketing certain natural products, this will be very fine with the various climatic changes existing in different parts of this country! The crop of Quebec strawberries will be very late.

to regulate the time and place of marketing the regulated product, and to determine the manner of distribution and the quantity and quality or grade of the regulated product that shall be marketed by any person at any time, and to prohibit the marketing of any of the regulated product of any grade or quality;

Absolutely, dictatorial powers! Together with the marketing board the minister will decide what products should be marketed, when, where, how and at what period. Does the government want all the producers of Canada to quarrel among themselves? Does it think it can regulate the marketing of farm products in such a way? What a hue and cry will rise on all sides! The enforcement will be a risky one and, under the circumstances, the farming class to which the government wants to show some favour, will never be satisfied. The government will be unable to help them with the enforcement of such an act.

Let us examine the privileges conferred on this board:

(b) to exempt from any determination or order any person . . .

The big man who slips out by the small gate!

from any determination or order any person or class of persons engaged in the production or marketing of the regulated product or any class, variety or grade of such product;

That is quite a privilege! In the first paragraph it is explicit, all will be regulated; in the second paragraph, there is one exception, some will benefit by such a privilege. Who will they be? I should like to have a reply from some of my government friends of Quebec who support the government, they must have closely studied this bill. I should like to see them rise in the house so as to explain to us who are the people that will be compelled to go to the market with their natural products, at what period, place, date and with what kind of products and who are the persons that will be exempt. I wonder:

(c) to compensate any person for loss sustained by exporting, storing or withholding from the market any product pursuant to any determination or order of the board;

Is the government prepared for an avalanche of claims and complaints? And inquiries galore! It will be worse than a coach-establishment so numerous will be the complaints! All will complain because all will have grievances. The hon. member for Brome-Missisquoi (Mr. Pickle) will not sell his heifers dear, I can assure him, and he will no more complain as he did the other day in the house.

(d) to compensate any person in respect of any shipment made pursuant to any determination or order of the board to a country whose currency is depreciated, in relation to Canadian currency, for loss due to such depreciation;

What will be the cost to the government? Will this deflate our currency? I think it is deflated at present. If we are going to trade with European countries whose currency has depreciated, ours will also depreciate, this country will be the loser, and so will be the exporters.

(e) to assist by grant or loan the construction or operation of facilities for preserving, storing, or conditioning the regulated product and to assist research work relating to the marketing of such product;

But we have wheat elevators at Fort William, Churchill, Vancouver, Montreal, Prescott, and even at Sorel; we also have cold storage plants in Montreal and here and there throughout the country. Shall we build more of them when we have enough to store our products that are to be exported but await a more favourable market?

Were I requested to sign a convention or a deed of sale containing so many obscure terms, I would not sign it and would also advise my client not to do so.

Now, how will this bill function? Section 5: "Marketing scheme." It is always a question of schemes; we hear nothing of realization; the government ploughs the desert and expects prosperity which is always around the corner. We see its shadow but it never appears and I think it will only come after the next Dominion elections.

5. (1) A representative number of persons engaged in the production and marketing or the production or marketing of a natural product may petition the governor in council to approve a scheme for the regulation of the marketing of such natural product by a local board under the supervision of the board.

Who will be these representative persons? I think I shall have to put the question to the "Key of Dreams," to a prophet or fortune teller. Who will be these representative persons who will request the minister to order that the price of a natural product be reduced on the local market and be regulated by a local board? Further on we find that previous to approving a scheme, the governor in council must be convinced. All depends on the governor in council; the people have not a word to say in the matter. The importer will only import what he is told to import; he will bring into the country only the goods that the government wish to be imported, moreover, he will have to obtain a licence, because should he import without this licence he will be prosecuted and liable to a fine of from $25 to $500, or else go to jail. In these times of post-war freedom, when all countries seek the means to rebuild; renovate, to cultivate good friendship, it is not very encouraging for the farmer, the producer and importer to be drawn into this regulated scheme. No mention is made of the consumer in this bill. Industries also are left out. Nothing is mentioned which might bring back progress and prosperity to this country.

The consumer seeks work and not the dole. The small property owner is at bay and those who have set aside a few dollars, honestly earned by the sweat of their brows, will see their money disappear. Second mortgage loans have no value to-day, and will be a total loss at the very first sheriff sale or given in payment to the first mortgagee.

However the governor in council must weigh everything before giving his decision, and all will depend upon the representative persons who will come before him so that he may decide what products will be put on the local market.

[Mr. P. Mercier.]

As to the provinces, the government relies on section 10. Note the stupidity of it:

10. Whenever a scheme relates to an area of production which is confined within the limits of one province, the governor in council may authorize any marketing board or agency under the law of the said province to be, and to exercise the functions of, a local board with reference to the said scheme, and such provincial board or agency may be authorized to collect charges for services rendered in respect of all or any of the products subject to its regulation by reason of the aforesaid scheme.

Is there in Canada, one province in which a natural product is exclusively grown? Wheat is grown in the prairie provinces, but there are three provinces and, in Quebec wheat is grown for the requirement of the farm and that of the baker. Wheat is grown on a large scale in the west. The world's former granary has now become Canada's too full granary. There exists no product exclusively grown in the limits of one province and one can foresee that this section will never be applied.

If this bill in its enforcement has no practical purpose, I wonder why it was introduced in the House. No government will ever succeed to put it into force.

I still have faith in our Dominion and provincial Ministers of Agriculture, in our Trade Commissioners stationed in almost all European countries, who endeavoured by all possible means to extend our trade and advertise our products abroad. Our world trade crisis would not be so serious if our tariffs had not been so high ever since 1930. We are behind a wall, as I stated at the outset of my remarks. We shall be involved in a general upheaval, and the proof of this is the fact that we shall be obliged to indemnify exporters for losses sustained because the products they had to market were not the best quality. This means that part of these claims will come under direct assistance so far as farm products are concerned and which are only good enough for rural local markets and cannot be graded high enough to be sold on our first class markets or exported. This will entail direct assistance so as to reimburse people who sustain losses because the products of their farm, forests, mines or fisheries are not allowed on the market. How will you satisfy the people in this debauchery of general remuneration?

I shall now, sir, close my remarks. I have frankly expressed my views. I have no faith in the efficiency of this bill. It clashes with our past agricultural history. It is not a remedy for the ills of our farming class. It cannot increase the prices; even if it did, the

farmer would have to pay dearer for industrial products which he would have to purchase, while the consumers in the cities will be unable to purchase sufficient to subsist since his purchasing power is not increased. Our currency which we so highly prized hitherto will be deflated like the currency of foreign countries with which we trade.

Mr. ONESIME GAGNON (Dorchester): Mr. Speaker, I had not intended to take part in this debate because it was impossible to anticipate that such a measure as this, which will bring to the farmers of Canada such substantial advantages, would be so strenuously opposed by the opposition. I recall that the hon. member for Melville (Mr. Motherwell), who has had a large experience in agriculture, stated in this house last year on two occasions that he was in favour of a marketing bill. Societies and associations of farmers and business men all over Canada have for many months, indeed years, been clamouring for just such a practical and beneficial measure as we have now before us, and now the right hon. leader of the opposition (Mr. Mackenzie King) and his Quebec supporters are unearthing constitutional reasons for opposing it.

When I read the other day in Mr. Taschereau's organ, the Montreal Gazette, the interview in which he made such a violent attack on the federal government, I thought it was my duty to state my reasons for voting for this bill. I do not desire to be accused of misquoting him; therefore I shall give his statement as reported in the press:

"I do not know of a worse blow to Canadian unity and to the spirit that presided over confederation," declared Mr. Taschereau here last night in alluding to the federal government's marketing bill. . . .

"I note with much apprehension for the peace and well being of confederation, legislation now being discussed at Ottawa. I do not want it said I am entering upon the federal domain; it is primarily the most vital interests of the provinces that are not only in jeopardy but in danger.

"First, the marketing bill. Ottawa wants to take control all at once of our forests, our mines, our fisheries, and our natural products. It will be easy enough to say 'no,' to this, but one sees the attempt being made and the spirit animating the dominion government."

Further on he says:

"I do not know of a worse blow to Canadian unity and to the spirit that presided over confederation. The danger is at our doors."

That is the amazing statement that Mr. Taschereau is reported to have proffered. Such sweeping allegations are too amazing to carry conviction to the minds of the people of Quebec. Mr. Taschereau has condemned himself by his own actions. When Bill No. 51 which we are now discussing was first introduced into this house, many provincial governments sent to the hon. Minister of Agriculture (Mr. Weir) telegrams of approval and a great number of provincial legislatures then in session immediately passed unanimously the necessary enabling legislation in order that those provinces might cooperate with the federal government and their people enjoy the benefits of the marketing act. Mr. Taschereau himself, like the premiers of all the other provinces, received a copy of this bill, and what did he do? Did he denounce it in the Quebec house? Did he attempt then to show to the members of the Quebec assembly that this marketing board bill was detrimental to agriculture and industry and a blow to confederation? He merely expressed some doubts as to the propriety of the proposed legislation and immediately saw to it that the legislature unanimously pass a bill whereby the people of Quebec could cooperate with the federal government in the creation, operation and maintenance of a federal marketing board. The bill that was passed in the legislature of Quebec is bill No. 243, "an act to aid the putting into effect in this province of any federal act having as its object the marketing of the natural products of Canada and of any federal act respecting bankruptcy as regards compromises between creditors and debtors."

After Hon. Mr. Taschereau had taken such a commendable stand, he now turns round and in the most dramatic way asserts that confederation is threatened and the unity of Canada endangered by this bill. What logic! What consistency! If this bill were so bad, would it not have been the duty of the Quebec premier to refuse to pass the enabling legislation, which was nothing more or less than an approval of the federal measure? Nobody would have objected to Mr. Taschereau stating his reasons for refusing to commit his province to any policy which might destroy the so-called paramount rights of the province if such rights in his opinion were being encroached upon by the federal government. One might say that such views were highly hypercritical and were offered only for political reasons. However, I think the real motive for their utterance is the realization that the crisis is coming to an end, that unemployment is decreasing and, as the hon. member for East Edmonton (Mr. Bury) said a moment ago, prosperity is coming and is as inevitable as the rising of the sun above the horizon. The premier of Quebec

will then be deprived of the opportunity of making capital out of the depression and playing politics with the relief granted for unemployment, and he does not conceal his disappointment. Wild statements such as these would do much to destroy the unity of the Canadian people if they were taken seriously by the people of Quebec. However, our people are used to such outbursts from Mr. Taschereau. He makes them on every occasion according to his mood and fancy.

Mr. Taschereau has said even more than that; he has commented upon the tax of ten per cent on gold. In the same interview he stated that "this ten per cent tax on gold beats all." I do not think I need comment any further upon that statement beyond saying that the federal government was granted the right of taxation by the British North America Act. The province of Quebec, like all provinces, receives a large subsidy from the dominion government. According to the estimates for 1934-35 this province will receive a subsidy of $2,592,013.68 which might be collected by way of taxation. Last year the deficit of Mr. Taschereau was about $7,000,000, and were he not receiving this subsidy, his deficit would be more than $9,000,000. When Mr. Taschereau makes such an amazing failure of his own administration, he has no right to attempt to teach a lesson to this government. I shall say only a word with respect to this tax as I shall comment further upon it during the debate on the budget. The only answer to be given to Mr. Taschereau's criticism is one which is clear, concise, obvious and unequivocal—we are going to take taxes off the farm and put a tax on gold. If Mr. Taschereau is not satisfied, we shall continue to do our duty.

On behalf of my native province I should like to congratulate the Minister of Agriculture (Mr. Weir) for having initiated such a commendable piece of legislation at such an opportune time. For a long time the farmers have been crying for help; we must think of them, we must encourage them, we must help them and we must save them. As has been said by the hon. member for Brome-Missisquoi (Mr. Pickel), the prosperity of industry depends upon the prosperity of the farm. If you save the farm, you save the country; we are going to save the farm and thereby save the country. I need not repeat what has been so clearly stated by my hon. friends on this side, that the purpose of this bill is to provide for the orderly marketing of farm produce in order to stop competition between producers, regularize production, improve the quality of farm products, regulate exports and arrange and promote cooperation between producers so that they may be assured of a reasonable profit. This legislation will also eliminate the disparity which now exists between the costs of production and the prices received for farm products. Everyone admits that the low price of farm products is killing agriculture and destroying the economic life of this country. The bill now before the house is a bold measure with far-reaching consequences, but every one admits that the sad plight of the farmer requires bold, sweeping and appropriate remedies. When agriculture is struggling, statesmen must be awakened. In other words, this is not the time for long and fruitless speeches; it is the time for a prompt, bold and definite action. But our Liberal friends are afraid of action and they certainly deserve what has been said of them by one Liberal newspaper in Ottawa, the Ottawa Citizen. Listen to what this paper said on July 28, 1933, the anniversary of the grand, sweeping victory which took place on July 28, 1930. They say:

> Nothing has been more pathetic in Canadian politics since 1930 than the failure of Liberals in parliament to advance any effective alternative to the government's policy.

And later:

> The self-satisfied ignorance of Liberals on other issues in world politics, as on the collapse of international finance, the progressive departure of nations from the gold standard, the revolutionary experience in national planning, particularly in Russia, Italy and the United States has done more to turn young people away from the Liberal party into the ranks of the C.C.F. than anything else.

That is what one Liberal organ thinks of the enlightened views of the Liberal party.

I can assure the Minister of Agriculture that this marketing bill is receiving the approval of the majority of the farmers of the province of Quebec. Yesterday the hon. member for Quebec-Montmorency (Mr. Dorion) quoted the opinion of the distinguished president of the Catholic Union of Farmers of Quebec. He alluded also to the resolution which was passed unanimously by that association approving of the provisions of this bill. I shall not repeat what the hon. member said in that regard, but I should like to quote to the farmers of Quebec the opinions of associations of farmers in other provinces. I hold in my hand an article which appeared in the Farmer's Advocate, which is published in London, Ontario. This publication was first published in 1868 and has continued ever since without interruption. It states:

> The agricultural marketing bill introduced in the House of Commons by Hon. Robert Weir,

Minister of Agriculture, on March 26, has been described as ultra-modern and drastic, but it is not too modern and certainly not too drastic to meet the needs under the emergency conditions that exist in the primary markets of Canada. It is closely patterned after the British Agricultural Marketing Act and, moreover, it grants the powers and establishes the marketing machinery for which agricultural organizations from one end of Canada to the other have been asking. It is a fine piece of up-to-date legislation and provides the solution for agricultural marketing problems that are causing anxiety in many branches of the industry to-day and in numerous districts where ruinous prices exist because the old-type marketing machinery is rickety and inadequate.

And again:

In the first place the proposed legislation at Ottawa provides for a marketing board which will have power to regulate exports and direct the organization and functioning of local marketing boards or schemes in Canada. Two illustrations will suffice to show how this board could be of distinct advantage to the agricultural industry. During the months of May, June and July we manufacture approximately 125 million pounds of butter in Canada. Our net exports for the year are in the neighbourhood of 3 million pounds, but this very small surplus is sufficient to depress prices to such an extent that dairy farmers lose $5,000,000 because of the thimbleful of butter which is over and above domestic market requirements. The home market is preferable and there is no one creamery man in Canada philanthropic enough to say, "I'll export all the butter I make and thus keep the market clear for all you other fellows." Moreover, there is no legislation under which a creamery man may be forced to export a quota or percentage of his make. Hon. Mr. Weir personally took the matter in hand last summer and quietly induced a number of creameries to export some butter. What appeared to be a threatening situation was thus relieved and butter prices held higher than they otherwise would. A marketing board, endowed with reasonable powers, could achieve the same end much more expeditiously, with more justice to all butter makers, large and small, and with far greater advantage to the dairymen of Canada. Moreover, it is proposed to compensate those who incur a loss when exporting under orders of the board and, moreover, adjustments can be made by the board when sterling exchange is a further disadvantage to the Canadian exporter.

May I quote now from a publication which has a great reputation in Ontario; I refer to the Ontario Grower, which is published in Hamilton. Turning to the first page of the issue of April 10, 1934, I read:

Monday, March 26 will stand as a red letter day in the history of Canadian agriculture.

On that date, Hon. Robert Weir, Minister of Agriculture, introduced in the House of Commons Bill 51, "An Act to Improve the Methods and Practices of Marketing of Natural Products in Canada and in Export Trade, and to make Further Provision in connection therewith." And thus was instituted a move toward the establishment of an administration of Canada's natural products but on a basis that is primarily voluntary in procedure.

If I quote now a few extracts from the editor's opinions you will see how much this piece of legislation is praised by farmers of all classes.

The new federal marketing act, officially known as the Natural Products Marketing Act, is now before parliament. It is a farreaching measure, drastic in some of its clauses, radical in thought, but a piece of legislation that comes into being because of absolute necessity. The act is destined to help those industries which, apparently, cannot help themselves. It provides for the appointment of a federal marketing board to supervise, control and organize trade, to give some guidance and direction to producers, in order that production plans may harmonize with market requirements and to prevent, as far as possible, undue fluctuations in supply, should prove to be a step forward. The act possesses a very important feature, inasmuch as it provides the opportunity for the producers of any commodity to become thoroughly organized, to gain complete control of the marketing of their product, and have a voice in trade policies governing that product.

May I also quote the opinion of a man whose reputation stands high in the city of Quebec, Mr. J. S. Royer, the distinguished president of the Canadian Fruit and Vegetable Jobbers' Association. At a convention of the Canadian Chambers of Commerce held in Toronto in the month of October he made a speech on marketing legislation which caused a sensation. I will quote a few extracts from it:

Mr. President,—

I have the honour to be the president of The Canadian Fruit and Vegetable Jobbers' Association, a trade association of wholesale fruit and vegetable dealers which has since its inception, ten years ago, held an associate membership in the Canadian Chamber of Commerce and has therefore followed very closely your valuable deliberations and conclusions.

For your information and probable enlightenment may I refer to the fact that imported fruits, having an average annual value at point of production over the past five years of some $20,000,000 and vegetables of some $6,000,000, have been handled by our members. In addition of course we distribute domestic fruits and vegetables of approximately the same value. Just here I would stress the point that while the five year average value of fruits is approximately $20,000,000, the rapid and consistent decline over the years is from approximately $26,000,000 in 1929 to but slightly over $11,000,000 in 1933, and while the average value of vegetables was $6,000,000, the decline has been from over $8,000,000 in 1930 to $4,000,000 in 1933. While values have decreased to this alarming extent I am satisfied that volume has been maintained, thus indicating a reduction in farm market values of at least 50 per cent. As a further indication of the extent of the business in which I am chiefly interested I will tell you that last year the city of Montreal alone consumed approximately 14,000 carloads of fruits and 8,000 carloads of vegetables.

The marketing of this vast volume of a highly perishable product is no simple task,

particularly under the climatic conditions prevailing in Canada, and more particularly under present day conditions when the few remaining who have not been converted to the slogan "Fruit for Health" hesitate to buy what they consider to be a luxury and non-essential product.

While there are those who contend, and probably rightly so, that the present difficult position of agriculture is due in no small part to overproduction or surplus, I personally believe that in so far as fruits and vegetables are concerned the problem will find its solution through organized distribution. Dean Clement of the University of British Columbia recently defined a surplus as "that part of any crop or commodity which cannot be sold at a price which would pay for its production." If one accepts this definition then one must also believe that almost the entire fruit and vegetable crop of Canada was surplus last year as I am satisfied that but a very small percentage was sold at a price which would return the cost of production.

Even before the wave of non-buying struck Canada we who are in the fruit and vegetable business realized the unsound position of the Canadian grower due to the lack of organized and businesslike marketing methods at the point of production. Numerous conferences were held both between the growers themselves and between the growers and outside agencies which resulted in the establishment of cooperative marketing associations. A number of these have been successful to a degree but the percentage of failures was heavy and voluntary cooperation has in the net made but little progress. Even when organizations are formed the members face constant temptation to desert due to the fact that those outside can more readily find a favourable market for their few cars and so average a higher return than is possible for an organization which must take both good markets and bad and so average lower. However without organization chaos only results and all secure the low average prices so prevalent to-day. Opportunities for direct marketing by so great a percentage of the individual producers discount the advantages of large scale marketing. Failure of cooperative marketing in consequence has resulted through the impossibility of securing and maintaining control of supplies so long as the voluntary support of the producers has to be relied upon.

Changed conditions in recent years have made it evident that the major problems of distribution require unity of plan and marketing. Indeed, the useful results of planned marketing, once the necessary unity of policy has been obtained, are so evident as to warrant measures being taken to bring this about. Thus we find legislation to this end in Australia, New Zealand, South Africa, the United Kingdom and the United States. In all the principle is practically the same, that is, to make possible the control of the entire distribution of any product, or in any one area, and so prevent the ruinous so-called competition which, instead of being the life of trade, has proven to be the death of business. Few things are more pitiful than to see a man spend his life selling his services for less than they are worth and arriving at old age with nothing but a bad case of rheumatism, a worn out body and obsolete equipment. He has been a detriment to those in his community engaged in the same vocation, to his family and to himself.

Mr. Royer went on to depict the essential features of the British marketing act and concluded by asking the Canadian Chamber of Commerce to recommend to the Canadian government the taking of necessary steps to pass legislation similar to that which was passed and approved of and is now in operation in the United Kingdom. I have quoted lengthy extracts from this speech of Mr. Royer of Quebec to prove to the Minister of Agriculture that the best men engaged in the wholesale trade in fruit, vegetables and all other agricultural products agree with the farmers in recommending to the government and requesting it to enact immediately, practical and definite legislation which alone can cure the present sad situation in which the farmers of Canada find themselves.

May I, in the few minutes that remain at my disposal continue my humble remarks in my native tongue?

(Translation): Let us examine, sir, what stand the Quebec government took in connection with the legislation intituled: The Natural Products Marketing Act, 1934? When this bill was introduced by the dominion government the legislative assembly in Quebec, was in full session. When requested by the right hon. Prime Minister (Mr. Bennett) to cooperate with the dominion government, Mr. Taschereau, on April 11, introduced a bill purporting to put into practice in Quebec the dominion marketing act. The measure received the unanimous approval of both chambers of the Quebec legislature. Now that the provincial session has been prorogued, Mr. Taschereau solely to create doubt in the minds of the people and prevent the Quebec farmers settling down to work and reaping the fruits of this legislation, gives an interview to the Liberal press in which he contends that the dominion act is an encroachment on the rights of the provinces and a confiscation of the natural resources of Quebec. This statement of Mr. Taschereau is most regrettable. If Mr. Taschereau is sincere, why did he not then refuse to permit the dominion government to apply this act in the province of Quebec? If our measure, instead of being eminently favourable to farmers and producers of all kinds, is really a destructive and unconstitutional measure, as stated by the right hon. leader of the opposition (Mr. Mackenzie King), and liable to ruin the farmers as contended by the Liberal members of this house, why did Mr. Taschereau not wait before enacting his bill? Should he reply that he had not

the necessary information, my reply then is that he is not a statesman; a wise and cautious legislator does not introduce a bill without being thoroughly enlightened on its merits and consequences. Moreover, the provincial assembly will meet again in June, as Mr. Taschereau promised to Mayor Camillien Houde; I challenge him here. Either this federal act is detrimental or beneficial. If detrimental, his duty at the special session in June next will be to cancel Act No. 243 by which he pledges himself to apply the Natural Products Marketing Act in the province of Quebec. If, on the other hand, our measure will be beneficial, the hon. Mr. Taschereau will nevertheless not repeal the act. All may wager, sir, but I warn you that never will Mr. Taschereau—in spite of the hue and cry raised by the right hon. leader of the opposition and the hon. member for Quebec East (Mr. Lapointe)—prevent openly the application of the Dominion Marketing Act in Quebec.

However, if our act is an excellent one it is not sufficient to allow its application in our province. One may oppose an act in two ways. One may carry on an active or passive resistance. I surmise that Mr. Taschereau will not dare repeal his act No. 243, but will oppose to the Dominion Marketing Act a passive resistance by quietly advising the Minister of Agriculture of Quebec, the agriculturists and all his agents, in Quebec, not to encourage the farmers, the fishermen, lumber dealers, breeders, fruit and vegetable growers to organize themselves so as to help in creating new markets, or reorganizing their production, or improving the quality of their products or taking the necessary steps to enhance the prices of their farming and industrial products.

Note what is taking place in the province of Ontario. The bill has not yet been enacted by parliament and already farmers are organizing throughout the province. Look at this newspaper, The Ontario Grower, of April 10. On the second page you will find the following heading in large letters: "Interpreting the Natural Products Marketing Act." I shall read word for word this advertisement:

> Local associations or groups of growers desiring information as to the legislation now being brought down in the House of Commons, can secure competent speakers for their meetings by communicating with the Ontario Growers' Markets Council.
>
> This vital piece of legislation, affecting the distribution of Canadian fruit and vegetables, deserves the support of every agriculturist.

At the bottom there appears:

> For full information write C. W. Bauer, Secretary, Ontario Growers' Markets Council.

The ACTING SPEAKER (Mr. Gobeil) (Translation): The hon. member has spoken forty minutes.

Mr. GAGNON (Translation): With the consent of the house, may I be permitted to finish my remarks.

The situation of farmers, sir, is too sad to make political capital at his expense. He is burdened and overwhelmed with debts. He cannot meet the interest on his mortgages. The price of his products is ridiculously low, yet, in the midst of all his troubles, his countenance is serene, he always courageously raises a large family and should you happen in the evening to pass his home where a good Canadian soup is still on the fire, you may hear him singing the chorus of our old songs of the past. I now appeal to Mr. Taschereau, Prime Minister of Quebec and beg earnestly of him to cease launching forth in petty politics, at least from now until the dominion election. On behalf of honour and justice, I request him to state publicly whether he will take or not effective measures to allow the farmers to enjoy the beneficial legislation which we are preparing, if so, I request him to state how he will cooperate.

Mr. Taschereau, sir, has the floor. As to us, humble servants of the people, we shall carry on here the work begun.

Mr. ALFRED SPEAKMAN (Red Deer): Mr. Speaker, it is with a degree of reluctance, a reluctance due in part only to some physical disability, that I rise at this stage of the proceedings to take part in the discussion upon the measure now before the house. I am impelled to do so by two main considerations: the importance of the measure itself as it may and as it undoubtedly will affect the great body of producers in Canada and the great percentage of the people of my riding and my province, and the fact that I have been among those who have consistently urged the introduction of legislation of this kind. My first words, therefore, must be of congratulation to the government and more particularly to the Minister of Agriculture (Mr. Weir) upon the courage and initiative shown in bringing forward a measure of this type; to use the words of the hon. member for Shelburne-Yarmouth (Mr. Ralston), the courage to take new paths, to open up new roads and to move forward in a new direction when times demand and when circumstances make it essential; and also upon their appreciation not only of the conditions which exist but of the responsibility of the state in respect of those problems.

It is not my purpose, nor does it conform, as I understand the matter, with the position which I occupy in the house, that I should enter into a detailed defence of this measure; that is the duty of the government which gave this legislation birth and of the party under whose auspices it was brought forth. Nor is it my place to enter upon a lengthy counter attack upon those who do not view this matter as I do. I was not elected to this house as a political partisan, and during the thirteen years I have sat in this chamber it has been my effort to cooperate with either or both parties in regard to any meritorious legislation which might be introduced. That stand I propose to maintain at this time. I shall therefore confine myself in the main to stating my views upon this proposed legislation and its possible effects, and to indicate why I welcome and shall support this measure on second reading. In doing so I shall endeavour to discuss the matter very briefly under three main heads: the conditions in this country and the world which make such legislation necessary and essential; the objectives which should be achieved if we are to meet and remedy those conditions, and the extent to which, in my opinion, this bill will meet these essentials and will accomplish these objectives.

As to the conditions themselves, Mr. Speaker, they are matters quite understood and appreciated by every hon. member of this house whose occupation, location or duties bring him into contact with the main bodies of our producers of natural products, and particularly our farmers. The conditions are obvious; that cannot be gainsaid: The condition under which we have violent fluctuations in the prices of farm products, fluctuations either arbitrary or fortuitous but equally calamitous in their effects; the conditions under which we have spreads which we believe to be unnecessary and far too great between the price received by the producer and the price paid by the consumer and the condition, above all, under which year after year the farmers of this country—certainly I can speak for western Canada, and I think for all Canada in that respect—receive less for their products than will enable them to maintain a decent standard of living and meet their obligations. Nor are the effects of those conditions confined to the producers themselves. We have had discussed in this house time and again the condition of the provinces, and particularly of the western provinces, and criticism has been made because loans and guarantees have been given in order to assist their finances. Why are the western provinces in that situation? Speaking now particularly for the three prairie provinces, where the great majority of the population are farmers, I can say that the financial situation of these provinces is not due to inherent defects in government or to extravagance in expenditure. I know that in my own province, and I believe in the other provinces, expenditures have been cut to the bone. No, the trouble goes deeper; the roots are in the ground, and the fact is that the majority of the taxpayers of these provinces are farmers. When the majority of the taxpayers are not receiving sufficient income to enable them to buy the necessities of life, let alone pay their taxes, government finances must suffer. There are only two sources open to any provincial government from which they may obtain revenue, namely taxation or borrowing; when the taxpayer fails borrowing is the last resort. But borrowing brings with it its own punishment and its own destruction in the accumulation of interest charges which result. There, Mr. Speaker, is a phase which vitally affects every taxpayer and every citizen in Canada. I think this should be taken into full consideration when the bill is being discussed, for only by an appreciation of these facts can we understand the measure now before us.

Then, leaving the domestic situation, we look to the world about us and what do we find? The situation has wholly changed within the last two decades. The time was, and not so very long ago, when apart from tariff restrictions in the various importing countries, the goods of all countries could be sold on a competitive basis; to the best man or the lowest price went the market. That was the day of freedom of sale, so called; that was the day of individual competition. But, Mr. Speaker, that day has gone and in its place we have not only tariff restriction but the exclusion of certain commodities; we have commodities admitted only under quota restriction as to quantity, as to quality, as to the percentage of goods from our country which may be used in proportion to similar goods of domestic origin. We may regret this situation; we may look upon it as detrimental, but facts are stubborn things. With other members of the house I have indulged in certain theories, but I have found that when a theory comes in conflict with an established fact it is usually the theory that is shattered and the fact that remains. This is something that must be taken into consider-

ation, and in view of these facts legislation of some form to meet the existing conditions becomes not only necessary but essential.

Now I should like to say a word as to the definite objects which must be accomplished if these conditions are to be met. I am firmly convinced of the merits of cooperation in meeting problems of this kind. By that I mean cooperation among the producers themselves and the elimination, by mutual consent, of the self destructive and mutually destructive competition which prevails as between individuals. I believe that only by the encouragement, the assistance and the development of true cooperation, with all that it implies such as the increased intelligence of the producer, the increased self help of the producer and the working together of the producers, can the matter be solved. But we find another condition. I am not speaking now of wheat, which is a problem by itself; I am speaking of almost every other product of the farm from fruit to eggs. You will find that from ninety-five to ninety-eight per cent of the total production of each of those products is consumed within this country and that we export five per cent or less of each. Yet it has been borne out not only by our experience but by the statements of those in the trade that this small, insignificant export has shattered and brought to chaos the domestic price year after year, season after season. And again, any proposed measure which does not contain within itself the power to deal with such a situation must fail, for the domestic cooperation between producers cannot take care of the situation.

These are the main points which I believe must be covered, and I would emphasize particularly the necessity of securing to the producer a greater proportion of the price paid by the consumer. More than that, we must try to secure to the producer a return which will enable him to continue his operations, meet his liabilities and pay his taxes, and will restore to him that buying power the lack of which has been one of the chief causes of the depression which has fallen so heavily upon us and upon other countries as well. These are some of the things which must be accomplished, Mr. Speaker, and now I turn to this bill to see to what degree and in what measure the objectives desired may be achieved by it.

Before I do that, however, may I offer this suggestion: I have said that I am a believer in cooperation, and that argument has been advanced by many of those who oppose this bill. To my mind the present measure is rooted and founded in cooperation, for how otherwise can it succeed? It demands, and to a large degree has already received through enabling legislation, the cooperation of the provinces. It demands for its success, and indeed for its very life, the cooperation of the producers themselves. May I say again—because this is essentially important—that the very genius of this bill, the very basis and spirit of this legislation, is the cooperation which will be received by this federal body from those who will be more directly interested, and from the provinces who are in close touch with the problems of their own citizens.

I come now to the bill, and what do we find there? The bill proposes to set up a federal board which, acting as the general director of the bill and of the marketing plans, shall work in cooperation with and in conjunction with boards appointed by the provinces, each in their own sphere, and each to deal with matters which come under their jurisdiction. Further, the board is to work in cooperation with the local boards, which, as I understand it, will be appointed largely by the producers who will be beneficially affected. That is the scope of the bill. To that board and to the boards which will cooperate with it are given ample, wide powers —possibly too wide, but I do not think so. For we are meeting a condition the ramifications of which are as yet barely understood, and to my mind nothing could be more fatal than to hamper and restrict the board in respect of its statutory powers before it commenced operations, so that when it did meet with preblems it would not be able to deal with them promptly.

It has been suggested that parliament itself should deal with them. To my mind parliament is the last body in the world which could deal with the emergent situations as they arise. All parliament can do and all parliament should do is to pass such legislation and to delegate such powers, so that under the authority of those powers the executive may deal with each situation day by day, taking into consideration the individual merits of each case as occasion may arise. The powers, then, are wide.

Then, among the powers what do we find? We find the power to register, if necessary, the names and the addresses of the producers. And what of it? The very members in this house who criticize on that ground were most urgent that a given or stipulated percentage of the producers in each branch or of each product should indicate their approval, or by petition indicate their desire, that some scheme or plan should be put into force.

How could that be accomplished? How could parliament or the governor in council or the board have the slightest idea what percentage of voices had spoken or how many of the people were interested unless beforehand they knew how many had a right to speak? And how can that be done, save by registering the names and addresses? To my mind, when we consider other curtailments upon our individual liberty, curtailments under which we already suffer, the additional curtailment of being obliged to write down our names and addresses and our branch of production is but a very minor detail, and one which so far as I can conceive, will meet with no antagonism.

Then, the bill speaks of licensing. I doubt whether the government knows, and I am quite certain the house does not know, to what extent this licensing may have to be applied. However, the fact is that the power is given to license—and to license what? The clause which applies to licensing includes producers and dealers in the products. It is quite conceivable to me that anybody dealing in those products should be licensed. The power is there. Further, it gives to the board the power of restriction and control of exports. And, Mr. Speaker, how could that situation which I have described and which is familiar to all of us be met in any other way?—that situation under which a comparatively small export, an infinitesimal percentage of the production, is allowed to destroy and crush the price of the entire domestic product. How else could it be done? We have had some experience along those lines. Within the last three years a cooperative organization in Canada entered into a mutually satisfactory and mutually profitable arrangement with the great consumers' cooperative of Great Britain. On the one hand we had the Canadian cooperative live stock shippers and on the other the British consumers. It was an ideal arrangement—the hungry mouths at one end and the eager sellers at the other. On what rock did they split? They split upon the rock which has destroyed and made impossible the profitable shipment of live stock, hog products and various other products during the past number of years. Because of the fact that during certain seasons of the year the price offered for cattle and other products in Great Britain is higher than the price in Canada, exporters rushed to export their products, thereby creating a surplus upon the market. Then comes the season when perhaps Irish cattle may come on the market—this may not happen to-day but did at one time—and as a result the price falls below the level of that obtaining in Canada with the result that export ceases. The stipulation made by the British authority was this: "We are willing to receive your live stock, but we insist upon having continuity of supply week by week, month by month, season by season throughout the twelve months of the year." That was the condition. Now, hon. members cannot expect any single exporter to export at a loss, nor should we be right in expecting any such thing. Under this bill power is given not only to hold back and restrict during a time when an over supply might destroy the market abroad and break the price, but also to send forward during the slack months, at times when goods may be sold at a loss, the necessary quantity to relieve the domestic market, thereby destroying the surplus, and to reimburse the exporters or producers who under such conditions and circumstances send forth that surplus. Thus will assistance be given to all producers in Canada. That is only right and wise.

In what other way could we meet a situation such as I have described, such as other hon. members have described and which hon. members know exists, under which importers in the country purchasing our goods are restricted by quotas, and restricted as to quality, quantity, time and kind? Only by some central guiding body with power to act can that situation and can the conditions imposed upon us, conditions for which no government in Canada has been responsible, over which we have no control and with which we must comply, be met.

Then, too there is the control of imports. I shall not refer, save in passing, to the exaggerated arguments advanced in this respect by the leader of the opposition (Mr. Mackenzie King). References have been made to the incongruity of the arguments of the right hon. gentleman. The bill provides that natural products of other countries which may come into competition with regulated natural products of Canada, may be kept out or restricted as to quantity. Under that provision it is suggested that oranges and coffee may be kept out of the country. It is news to me, Mr. Speaker, to learn that either oranges or coffee are natural products of Canada, or come into direct competition with regulated products grown in Canada. These are bugbears, and to my mind the very extravagance of the argument is one of the arguments in favour of the bill, because it shows how far afield people may sometimes go to find substantial arguments to justify their position.

Those are the main essentials of the bill, as I see them. I have read it from beginning to end, clause after clause, and nowhere do I find a power given to the board or to subsidiary boards to control, to check or to limit production. But I do find ample power given to control the methods of marketing. And, Mr. Speaker, that is one thing our farmers from one end of Canada to the other are demanding, namely that this lack of control which has brought them into the chaotic situation in which they now find themselves, with resulting loss to Canada, the closing down of our factories, and unemployment among our labouring classes, due to the lack of purchasing power of the farmer, shall cease. They demand that this uncontrolled situation shall be taken in hand, and shall be taken in hand by the one body in Canada competent to deal with it, namely the federal government. True, as the bill provides and as has been stated, this must be done in wholehearted cooperation with the provinces, each acting within its own jurisdiction; but no province alone could deal with the situation. They have tried and they have failed. The federal government, the federal parliament, some federal body alone can do that work and it alone must take the responsibility.

May I say further that the pictures that have been drawn of what might come to pass under this board apparently presuppose and are based upon one idea, namely that any board appointed would deem it to be its duty, its main objective, its ideal, to hamper and restrict and destroy the very producers for whose benefit the board is being brought into existence. I am taking it for granted that this government, and a Liberal government if again it should get into power, would have enough common sense, enough regard for their own political safety and appreciation of their own responsibility, at least to see that the best possible results be achieved. I am taking it for granted that any board which is appointed would accept it as its chief duty and main responsibility to do what is represented in the preamble of the bill, to carry into effect the purport and spirit of the act, and that is so to administer the act that it will enure to the benefit of those for whom it is being passed. I am taking for granted, and I am confident, that if by some strange chance or by some diabolical interposition a board should come into existence that had for its objective the destruction of the interests it is intended to serve, the tearing down instead of building up, the provincial boards would refuse to cooperate; the board appointed under the act would cease to function, and the act would be null and void.

For these reasons I shall not only support the bill on its second reading but, as I have said, I welcome its introduction. My criticism, if criticism I should offer at this time and which should more appropriately come during the committee stage, would be not that the powers given to the board are not limited, but that the bill itself embraces too much.

To my mind the problem of marketing the farm products of this country apart from wheat, because of the importance of the great diversity of products embraced in the general term "mixed farming" would provide a problem sufficient to engage the attention and occupy the time and utilize all the genius of any board which could possibly be appointed.

Personally I should not like to see wheat included in this bill, for the very simple reason that the problem of the disposition of our wheat is one wholly different and apart from the problem confronting our mixed farmers. What is the problem of the wheat farmer? It is the problem of the disposal of a great export crop, a worldwide product, graded, standardized. It is a problem of selling the great bulk of that product in export markets. The domestic market for wheat, while important, is relatively insignificant. The problem lies in the export market, in meeting the agreements which have been entered into and the quotas which have been put into effect. But apart from that the business itself is sufficiently great, of sufficient importance and sufficiently onerous, to occupy the full time and attention of a properly constituted wheat board, and I hope that at some time in the not too distant future this bill will be supplemented by another creating a federal wheat board to do for wheat what I hope this bill will do for mixed farming products.

I cannot speak of the products of the forest, for frankly, I cannot understand that reference in the bill. The products of the forest in their natural condition, as I understand it, are logs. When are logs manufactured? Is lumber a manufactured article? If it is, then it does not come within the scope of this bill, because it is certainly neither food nor drink. It would be classed perhaps with furniture and boots and shoes.

Speaking of boots and shoes, if I may digress for a moment, when the hon. member for East Edmonton (Mr. Bury) was making his eloquent and occasionally humourous address, he placed a certain interpretation

on the reference made to boots and shoes by the leader of the opposition. I have in mind another interpretation, another idea concerning the matter. I wonder if boots and shoes come in from the fact that on this bill, at least, occasionally when he opened his mouth he put his foot in it. But is lumber a manufactured article? Paper certainly is; articles of pulp certainly must be, and to what extent would this bill apply? I do not know and frankly am not keenly interested or well informed on the subject; there are those who know much more about it than I do. But while I may deprecate the inclusion within the scope of the bill of certain matters which I believe are extraneous and should be kept out, I am certainly not going to cut off my own nose to spite my face or vote against a bill which I believe will benefit the farmers simply because it may benefit others also. To my mind that would be a rather narrow view to take of my duties in this house.

In conclusion may I make one reference to a remark that was made by a speaker this afternoon. The hon. member for Lunenburg (Mr. Ernst), in the very fine address which he gave to the house, spoke of the world marching on and of the necessity of the country and parliament marching on with it or being left behind in a hopeless bog. The thought came into my mind that if we are going to march on we have two alternatives: we may march on with the world in its progress as a disorderly, unorganized mob of self-destructive individuals, and if so we march to certain defeat and individual extinction; or we may march on with the world as a disciplined mutually supporting body of troops to take part in that glorious world victory over penury and want which I hope will be achieved ere long. My convictions lie with the self disciplined army, not with the disorganized mob of individuals. This is a measure through which a number at least of our people may organize and discipline themselves and take a world part in that forward march.

For these reasons, Mr. Speaker, and others which may be developed during the committee stage when the details of the bill may properly be discussed, I welcome and support this legislation.

Mr. JOSEPH THAUVETTE (Vaudreuil-Soulanges) (Translation): Mr. Speaker, I do not intend to delay the house very long in debating the bill under consideration. I followed closely and with much interest the various speeches delivered by hon. members this afternoon and this evening; I was very much impressed with the various views set forth.

[Mr. Speakman.]

One speech especially interested me. Each time the hon. member for Dorchester (Mr. Gagnon) speaks in the house, I listen with interest because I look upon him as a brilliant orator, a legal light. I have noticed that each time he takes part in a debate, or at least often, he specially criticizes the government of his province. He quite strongly attacked, this evening, the Quebec premier, the Hon. Mr. Taschereau, and gave proof that he had special aptitudes as an official critic. I think, sir, that the hon. member as well as his friends must greatly regret that he was not chosen as leader of the opposition for Quebec, at the convention held in Sherbrooke last year. He would have been more at home and the charges he has made against the Quebec government would have produced more effect, had he made them as the official leader of the opposition, face to face with the Quebec premier. I trust that the people of his party will recognize this fact at the next election.

After closely reading Bill No. 51, now under consideration by the house, I deem it my duty, as representative of a county where farming is the main industry, if not the only one, to express my humble views on the timeliness of such an act. At this stage of the discussion one must consider the principle on which the government based itself to bring down such a measure. To what authority does the government intend to entrust the enforcement of this act? What powers will be granted to this authority to administer this act throughout the country? How will the regulations, orders and decisions issued by the central board at Ottawa, be promulgated throughout the various provinces? How will these orders be transmitted? There are many questions which it would be rational to inquire into before adopting the bill and enforcing it.

Will the benefits, which it is hoped to obtain for the producers in the application of this act, be in proportion to the losses which might be incurred through the working of this so intricate mechanism of associations, councils or boards transmitting their decisions from place to place so as to finally reach the central board or vice versa, in connection with the marketing or exportation of the products regulated by this organization?

Throughout the whole range of this hierarchy of officials, will there not be discrimination as against a certain class of citizen who will be cared for only after these large associations have taken the best of the market? Will intelligent men, experts in their trade or profession, with a long experience, comply with the regulations of these local or provin-

cial boards which, from their viewpoint at least, have never been associated with the profession or trade to which they belong?

I intend, sir, to reply to these questions by the various sections embodied in this bill.

First, if I restrict myself to the reading of the preamble of this bill, I find nothing which would warrant us to have any fear:

An act to improve the methods and practices of marketing of natural products in Canada and in export trade, and to make further provision in connection therewith.

No danger lies behind this title. It reminds one of the chocolate coating under which the druggist conceals his drugs to render them tasteless. If we had only to deal with the preamble, truly I would have no objection to approve of this bill. Seeing that for the last four years I have requested the government on various occasions, to help the farmer by finding him markets and obtaining better prices for the sale of his products; I regret to note, however, that ever since this government is at the helm of affairs in this country, it has done nothing to help the most numerous and important class of our population, the farming class.

In examining this bill, we find, under interpretation, the word "minister" and the definition for the requirements of this act:

"Minister means the minister designated by the governor in council to administer this act."

This, sir, is another snag added to our constitution.

By this act it is intended to suppress parliamentary rights, withdraw from the representatives of the people the right of legislating on the various questions which concern citizens, their financial, professional or trade interests, so as to confer upon a board or boards whose members are unknown and have not yet been chosen, the power of making regulations.

Mr. BARRETTE (Translation): Do you contend that it is legal?

Mr. THAUVETTE (Translation): The minister is granted—is it the Minister of Agriculture or the Minister of Trade and Commerce? The act makes no mention—the power to legislate. At all events, the whole mechanism of this bureaucratic machinery will be put into motion by the promulgation of an order in council. The government's policy of governing by orders in council still continues. Governing behind closed doors. The government has made it a principle to disregard the people's wishes and assumes the rights and privileges which parliament possesses of legislating in the interest of the nation on such vital questions as those at present involved. After the renewal of the signature in blank, the government intends to regulate the natural resources which belong to the provinces, such as forests, mines, fisheries, etc. That is the attitude which the government has taken ever since I have the honour of being a member of this house. We have had these last years a dictatorship which resembles that of Mussolini. We were heading for Moscow; now we have been switched on the road to Berlin.

May I, sir, discuss a few points of this bill. In examining the various sections which will determine the enforcement and working of the act submitted to us, we find at section 3, paragraph 6:

The board shall be a body corporate and shall have power for the purposes of this act to acquire, hold and dispose of real and personal property.

I am amazed at the powers conferred on this board—which will legally be constituted by the governor in council—to hold, acquire and dispose of real and personal property, not under the authority of parliament but by order in council. Such properties are to be acquired, not under the authority of parliament but by order in council, they are to be paid out of the consolidated revenue fund. If I understand the wording of the act, they will belong to the board which acquired them and may be disposed of as they think fit and for its own use.

Section 3, paragraph 9 reads as follows:

The governor in council may from time to time authorize payment to the board, out of the consolidated revenue fund, of such sums of money as may be necessary for the purpose of this act.

Always by order in council, the minister may draw from the treasury the sums of money it pleases, turn them over to the board which will pay the amounts deemed necessary for the purposes of this act. Certainly this provision will provide for the expenditure of sums of money drawn from the treasury, without parliament being given an opportunity to discuss whether they are necessary or even being given the opportunity of investigating matters.

However, sir, what seems to me most arbitrary and at the same time most annoying to the farmers of this country who will have to carry on their marketing every day by virtue of the act, are the powers defined in section 4 of the bill, subsection 1, paragraph (a):

(a) to regulate the time and place of marketing the regulated product, and to determine the manner of distribution and the quantity and quality or grade of the regulated

product that shall be marketed by any person at any time, and to prohibit the marketing of any of the regulated product of any grade or quality;

Can one realize what confusion will be created among producers by putting into force this provision of the act! Can one imagine the recriminations and protests which will be forthcoming from all sides when all and each of these small producers will have to sell or ship all or part of their products to the market! I do not intend to question all the farmers of my constituency so as to find out their views; however, a large number have already protested. This section to my mind nationalizes the commerce of our natural products. It is state monopoly of personal liberty. It paralyzes all private enteprises. It smothers all personal ambition since the output of each and every producer can be restricted.

Are we assured that the preference shown by some farmers to produce certain products instead of others will be respected. Is the board going to meddle with the affairs of every one, annoy these good farmers so as to verify their licences or compel them to join associations which they will very little appreciate? This is one of the provisions to which I have strong objections. The people of this country are not prepared for socialism, they will not easily sacrifice their commercial liberties. Why this state management or rather this nationalization of the commerce of natural products, and why not act likewise with manufactured products?

Is it thought that the government's high tariff have sufficiently protected the manufacturers? Yet reports come in every day from the tariff board informing us that a large number of manufacturers of various goods protest against the high tariffs. They request lower tariffs so as to increase their trade.

I contend, sir, that the same thing will happen with natural products if the government enforces this regulated production and marketing of natural products by order in council.

This will have the effect of creating an atmosphere of uncertainty on the markets where it is hoped to sell the products, an uncertainty as to prices and quantity. The reaction might well prove to be a decrease in the sales. Does any one think that the farmer can keep in storage for an indefinite time perishable goods? All are aware that those who take up breeding for market purposes cannot keep these young herds, which are ready for the market, for an indefinite time. And how many such instances are there! I can well imagine the reception awaiting these

[Mr. Thauvette.]

gentlemen of the board when they appear on the market to prohibit the sale of the farmer's herds. The government will be apprised sooner than it expects of the protests coming from the four corners of this country.

This legislation is the result of the high tariff policy advocated by this government and clearly intended to win over the support of those who sit on the extreme left. We have witnessed these last days our friends on the extreme left embrace in a fatherly way this new born Tory infant as if it were their legitimate child. We have again noted that extremes meet and often have some affinity; however, I wish to point out that the truth is to be found in the golden mean.

Therefore, I would approve a bill introduced by this government purporting to help the farmers in improving the quality of their products. I would gladly support a bill which would be a scheme to help the farmers in their present organizations, farmers' unions, cooperative societies, etc., so as to make these associations more efficient and powerful, in order that their members could obtain a more abundant return and make larger profits on their production.

I cannot be convinced, sir, that producers would be benefited by restricting production. Moreover, would it be human, in these times, to restrict the production of the prime necessities of life, when we are aware that there are so many people that suffer for the lack of the necessary things of life while others have none!

If the government wants to show its good intentions towards the Canadian producers, especially the farmers, let it put at their disposal all the means capable of benefiting them by legislating in a constitutional way, by introducing a bill which would benefit those interested inasmuch as it would be applicable through conviction rather than through constraint.

In closing my remarks, sir, I wish to express my views on section 14 of this bill.

Offences

14. Every person who fails to comply with any order or determination of the board or of a local board or any regulation of the governor in council shall be guilty of an offence and punishable on summary conviction with a fine of not less than twenty-five dollars and not more than five hundred dollars, or to imprisonment not exceeding three months, or to both fine and imprisonment.

I loathe to think that this section will render a great service to Canadian producers. Will parliament be held responsible for the

enforcement of this section in connection with offences against any order or determination of the board or governor in council? Does the government always intend to carry on by blasting? This policy has already failed. I do not think it will be a success this time. That is why I cannot approve of this bill.

On motion of Mr. Spencer the debate was adjourned.

On motion of Mr. Bennett the house adjourned at 10.47 p.m.

Friday, April 27, 1934

The house met at three o'clock.

NEW MEMBER

Mr. SPEAKER: I have the honour to inform the house that the clerk of the house has received from the chief electoral officer certificates of the election and return, of Almon Secord Rennie, Esquire, for the electoral district of South Oxford.

NEW MEMBER INTRODUCED

Almon Secord Rennie, Esquire, member for the electoral district of South Oxford, introduced by Right Hon. W. L. Mackenzie King and Hon. J. C. Elliott.

PRIVATE BILLS COMMITTEE

Sixth report of the select standing committee on miscellaneous private bills.—Mr. Maloney (for Mr. Stinson).

THOUSAND ISLANDS BRIDGE

Mr. M. J. MALONEY (South Renfrew) moved:

That Bill No. 27, an act to incorporate Thousand Islands Bridge Company, reported upon to-day by the select standing committee on miscellaneous private bills be placed upon the order paper of the house for consideration this day in committee of the whole, and for third reading.

Motion agreed to.

ESTIMATES, 1934-35

A message from His Excellency the Governor General transmitting estimates—Canadian Government Merchant Marine, Canadian National Steamships and Maritime Freight Rates Act—for the financial year ending March 31, 1935, was presented by Hon. E. N. Rhodes, (Minister of Finance), read by Mr. Speaker to the house, and referred to the committee of supply.

FOOD AND DRUGS ACT AMENDMENT

Hon. MURRAY MacLAREN (Minister of Pensions and National Health) moved for leave to introduce Bill No. 70, to amend the Food and Drugs Act.

Some hon. MEMBERS: Explain.

Mr. MacLAREN: Mr. Speaker, the main purpose of this amending bill is to bring conformity between the Proprietary or Patent Medicine Act and the Food and Drugs Act by the introduction of a clause which will affect a similar list of diseases in both acts for which the sale of remedies is prohibited. The effect will be that the list of diseases in both acts will be similar.

Another provision in the amendments is that protection will be provided in reference to vinegar. The substitution of acetic acid for vinegar will be prevented.

Motion agreed to and bill read the first time.

CANADIAN NATIONAL RAILWAYS

FUNDS TO MEET EXPENDITURE AND INDEBTEDNESS INCURRED DURING CALENDAR YEAR 1934

Hon. E. N. RHODES (Minister of Finance) moved that the house go into committee to consider the following proposed resolution:

That it is expedient to bring in a measure respecting the Canadian National Railways, to authorize the provision of moneys to meet expenditures made and indebtedness incurred during the calendar year, 1934, and to provide for the refunding of certain maturing financial obligations.

He said: Mr. Speaker, the bill which it is intended to found on this resolution is designed to take care of the full financial requirements of the Canadian National Railways for the calendar year 1934. It provides for the raising of funds for equipment principal payments, sinking funds, and miscellaneous maturing obligations amounting to $12,185,828; for construction and betterments $4,202,007 and for the estimated net income deficits amounting to $48,840,298. These amounts, in particular as respects the contemplated deficits, are arrived at as a result

of a report which has been received from the trustees of the railway system in conformity with the act. That makes the total sum required for the railway's operation under the headings I have mentioned $65,228,133.

The bill is in two parts. The first part has to do with what might be termed the ordinary financial requirements of the railway for the year. The second part makes provision for the refunding of two maturities for the calendar year, the first one falling due September 1, 1934, and amounting to $17,060,333.33, Canadian Northern four per cent guaranteed debenture stock and bonds; also Great Northern Railway of Canada four per cent first mortgage bonds falling due October 1, 1934, amounting to $3,510,250. It also provides for the refunding of a maturity falling due on February 15, 1935, Canadian Northern Railway Company 4½ per cent guaranteed bonds, amounting to $17,000,000. It was thought wise that we should secure at this time legislative authority to refund or otherwise take care of that maturity lest there might not be time to secure legislative authority having regard to the date at which the session might commence.

Motion agreed to and the house went into committee, Mr. Sullivan in the chair.

Mr. HEENAN: The minister I think gave a total of $65,000,000 odd. Would he kindly repeat the different headings?

Mr. RHODES: Certainly. The first item is for equipment principal payments, sinking funds, and miscellaneous maturing obligations.

Mr. HEENAN: How much for equipment?

Mr. RHODES: $12,185,828; then, for construction and betterments, $4,202,007 and net income deficits, $48,840,298. Does the hon. member desire the figures with respect to maturities?

Mr. HEENAN: No. Has the minister any details with respect to the new equipment and the investment required?

Mr. RHODES: When I was referring to the resolution perhaps I should have said that it is proposed that this bill shall be submitted to the committee on railways and shipping where full details will be available.

Mr. HANBURY: In what way does the minister propose to finance these obligations when they mature?

[Mr. Rhodes.]

Mr. RHODES: The bill will provide an alternative; the money may be advanced or we may guarantee the securities of the railway.

Mr. HANBURY: Is it proposed that the government will issue bonds for the purpose of meeting these maturities?

Mr. RHODES: That remains to be determined; the alternative provision will be in the bill.

Mr. HEENAN: The hon. member for Skeena (Mr. Hanson) sent me a copy of a letter which he had received from some men who were being paid a very low wage by the Canadian National Railways. I am sorry I have not the letter with me at the moment but they claim that despite a majority award by the board of conciliation and investigation they were still reduced by the management of the railways. The letter refers to the fact that the government has announced the restoration of the deduction to civil servants receiving salaries up to a certain amount, and it is claimed that as the railway is owned and controlled by the government, the government should consider asking the management to give back the reduction in wages which has occurred in connection with the low paid men.

Mr. RHODES: I am sure my hon. friend will be the first to appreciate that I am not in a position to make a statement with respect to his question. His question is one which should more properly be directed to the management of the Canadian National Railways. This matter could be discussed quite fully in the committee.

Mr. RALSTON: I should like to ask a question with regard to the general policy of book-keeping as between the government and the Canadian National Railways. As I understand it, provision is to be made for the issuing by the Canadian National of certain notes to cover equipment and principal payments on account of equipment and other capital expenditure, and also to provide for construction and betterments. I understand that the minister proposes to issue notes of the Canadian National which I suppose will be either sold or loaned against by the government in order to provide cash. In case the government should make loans, do I understand that the practice will be to treat the obligation of the railway to the government for those loans as an active asset as distinguished from a non-active asset?

Mr. RHODES: I could not answer my hon. friend with accuracy until I have had an opportunity to confer with the officials of my department. There are certain assets which are active and there are others which are not active. The active assets are treated as such and the non-active assets are absorbed in the annual expenditure as brought down in the budget statement. Without knowing the particular item I would not be able to give a satisfactory answer and in any event I would have to confer with the officials. If the hon. member has any particular item in mind I should be glad to get the information for him.

Mr. RALSTON: The minister gave an item of something like $12,000,000 for equipment principal payments, sinking funds, et cetera. These are to be provided for by notes and I should like to know whether the minister as keeper of the treasury will regard the asset as active should the money be loaned to the Canadian National Railways. I think the minister will find that in most cases where payments on account of capital expenditure or current capital expenditures, if I may use the term, are made, the obligation of the railway to the government is treated as an active rather than a non-active asset. I should like to know if this will apply to the whole of that $12,000,000.

Mr. RHODES: I would not like to answer my hon. friend at the moment but I shall make inquiry and before the bill passes I will give him an accurate answer.

Resolution reported, read the second time and concurred in. Mr. Rhodes thereupon moved for leave to introduce Bill No. 71, respecting the Canadian National Railways and to authorize the provision of moneys to meet expenditures made and indebtedness incurred during the calendar year 1934, and to provide for the refunding of certain maturing financial obligations.

Motion agreed to and bill read the first and second times.

Mr. RHODES: Before moving that the bill be referred to the committee on railways and shipping, I desire to inform the hon. member for Shelburne-Yarmouth (Mr. Ralston) that I am now in a position to say that loans in cash for equipment principal payments and capital have been entered in the books as active assets for the last two years. I move that this bill be referred to the committee on railways and shipping.

Motion agreed to.

CIVIL SERVICE

SALARY DEDUCTION ACT—RESTORATION OF TEN PER CENT CUT TO EMPLOYEES RECEIVING $1,000 OR LESS

Hon. E. N. RHODES moved the second reading of Bill No. 55, to provide for the deduction from compensation in the public service.

He said, Mr. Speaker, there is nothing that I feel I can usefully add to what was said when this bill was introduced. I can certainly add nothing to what was said in previous years at very great length in connection with similar measures which it has been our duty to consider. This year we have been able to make a partial restoration in full of salaries. It would have been a much more pleasing duty on my part, and much more pleasing to the government and to the house as a whole, could we have gone the full distance. That we do not do so is due entirely to the limitation imposed upon us by our revenues. That is the sole reason, and I may say that we shall be only too delighted, when the time arrives and the treasury will permit us to do so, to restore in full the salaries which have been reduced during the past two or three years.

Mr. WILLIAM DUFF (Antigonish-Guysborough): Before the motion is carried there are just a few words I wish to say. You know, sir, that I have always opposed a reduction in the salaries of public officials, and I am not going to delay the house with any remarks this afternoon. I simply say to the Minister of Finance (Mr. Rhodes) that I hope that in the next few months another government will be in power so that we can restore the salaries to what they were before the present administration reduced them.

Mr. J. L. BROWN (Lisgar): There is one class of public official who I think should receive some special consideration. Probably most of the members of this house have received communications similar to those that have come to me, and no doubt the government has received representations in the matter. I refer to the postmasters. It is well known that the total recompense of the postmasters proceeds not only from salary but from certain commissions, and it has been pointed out, very properly I think, by the postmasters, that not only have their salaries been reduced but that owing to the depression the recompense they receive through commissions has also been very much reduced.

Thus they suffer a double reduction. This I think is a situation which should in fairness have the consideration of the government. Is it fair to reduce by 10 per cent the salaries of those men who, because of the severe times through which we have been passing, have already suffered a great reduction in their total income? This matter I have no doubt has already been brought to the attention of the Minister of Finance and the government, as it has been brought to the attention of myself and probably other members of the house. Has the Minister of Finance any statement he would like to make in that regard?

Mr. RHODES: My hon. friend will forgive me, but I would remind him that I have exhausted my right to speak on the motion for second reading. In committee I shall be happy to discuss the matter.

Mr. E. R. E. CHEVRIER (Ottawa): Before the motion carries for the second reading I wish to make a few observations. I do not intend to delay the house at any great length, but we are confronted with a situation which I think calls for consideration in view of the decision which you, Mr. Speaker, gave a few days ago with respect to another bill. I voted against Your Honour's interpretation of the rule with respect to amendments to the second reading of bills, but the majority of hon. members sustained that ruling. We are now on the second reading of Bill No. 55, and that means that we are concerned with its principle. The principle of the bill may be ascertained in the same manner as the principle of the marketing bill was sought to be ascertained when that measure was before the house. This bill is "An Act to Provide for the Deduction from Compensation in the Public Service." The short title of the bill is:

This act may be cited as The Salary Deduction (Continuance) Act, 1934.

Section 3 of the bill reads:

Notwithstanding the provisions of any statute or law, there shall, during the fiscal year ending the 31st day of March, 1935, be deducted from the compensation of every member of the public service of Canada 10 per centum of the amount thereof: Provided—

Now I submit that the principle of this bill is not to be found in any rider to the bill; we are not concerned with the principle of the rider. We are not concerned with the principle of the provision but, I submit, with the principle of the bill itself, and that principle is double-barrelled in that it is for the continuance of the deduction from compensation in the public service. It is true that by the rider in the bill, an amendment to the law, some small minority will be affected in an infinitesimal way, and I suppose that in times of stress such as the present, with a government in power such as we have to-day, for these small mercies we ought to be grateful. But my attitude to these salary reductions is well known both in this house and elsewhere, and I for one cannot accept the principle of a continuance of the deduction from these salaries.

Now, the Minister of Finance, in introducing the bill, said that a certain range would be affected. I quote:

That range takes in a very large number of employees of the public service. As nearly as we can ascertain some eighteen thousand in number will be affected, including revenue postmasters, part time collectors of customs, lighthouse keepers, wharfingers, charwomen, seasonal or part time labourers, lockmen and bridgemen on the canals. Those in receipt of salaries above the sum of $1,000 will be subject to the same deduction as hitherto.

Therefore, right on the face of it, there is one class of the two classes of the service, those engaged in the service of the state, that will benefit, one small portion of a huge class. The government, at the time they decided upon this most unfortunate policy, were careful to make these deductions as heavy as possible upon both classes of the service—the public service at large and the civil service, so-called. This bill means something or it means nothing. If it means anything, it means something in the way of deduction. But after all, what does it mean in a practical way? I am sure that if the minister had been properly advised, or if he had followed his own sagacity and had gone carefully into the measure, he would not have brought down this picayune concession to those affected; because, with all deference to the hon. gentleman, for whom I have the highest regard, I am bound to say that the restoration of 10 per cent to those who will benefit is absolutely ridiculous. Let us see how far the generosity of the government, under the most difficult circumstances to which the minister has referred, will go, and to what extent the 18,000 employees referred to will benefit. Is this to be a smoke screen or a camouflage?

I take the report of the civil service committee for 1932 and I find in appendix J the total number of permanent and temporary employees in the civil service so-called of Ottawa, as of March, 1931, which is the last figure available, was 11,766 and the total

number outside Ottawa for the same date was 33,815, making the total number in Canada 45,581. Therefore there is in Ottawa about 30 per cent and outside Ottawa about 70 per cent of the classified service, so that when one speaks about the civil service one speaks not for the civil service of Ottawa alone but for 100 per cent of the civil service wherever in Canada those employees may be located.

When I look at appendix C of the same report, what do I find? The minister said that he was returning the salary deduction to all those who receive $1,000 or less. Included in that number let us see how many are in the classified service and how many in the non-classified service, and how they compare with the 18,000 he says will be affected. If we look at appendix C we find the different salary ranges comprise the following percentages of the classified service:

Salary range—	Percentage of classified service
Up to $1,020	6.2 per cent
Up to $1,500	42 per cent
Up to $1,980	79 per cent
Up to $3,000	94.65 per cent

These figures are cumulative. But all those in the range up to $1,020 are not getting that amount. The numbers and the various amounts they are receiving are as follows:

Number of employees	Salary
95	$210
64	240
80	270
1	360
92	420
69	480
5	600
159	660

We have not yet reached the class grade one, which starts at $720. The earnings of the lower grades in the classified service start at $720 and the class goes to $1,020. The numbers with the amounts received are as follows:

Number of employees	Salary
6	$720
82	780
4	840
58	930
106	960

Not one civil servant in the classified service earns exactly $1,000 because there is no such category. The class salary range is $720, $780, $840, $900, $960 and then $1,020. The minister might have gone a little higher and put the cleavage where it should naturally have been, that is, at $1,020. Who gave him the information or advice or suggestion to make the division at $1,000 when the nearest approach to that is $960 and then the salary jumps to $1,020?

It is true that the number of those who earn $1,020 and under is 2,145, but none of them earns exactly $1,000. There were 106 in the classified service at $960 or 721 earning up to that amount. If we take it that one-quarter of the classified service resides in Ottawa, then there would be 180 or at the very utmost 200 of them in this city who would be affected. That shows the fault or want of logic in making the division at $1,000 rather than at $1,020 where the cleavage should have been made.

Of those who earn from $720 to $960 there are about 200 in Ottawa and there may be about 700 in the whole of Canada. I do not think any of them are married, though undoubtedly some of those who earn that amount have certain dependents. Some may help their mother or brothers and sisters, but they are the very few. Why not, for instance, have started at the class, grade 2, getting $1,080 where, for example the letter carriers start, most of whom have dependents? The unfortunate feature of this attempted legislation is that it hits where it is least needed, but when the bill is in committee we will go more fully into that aspect of the situation.

Let us take the unclassified service and see how far we get within range of the 18,000 who in this time of stress are to be benefited by this most generous legislation. There are about 60,000 employees in the unclassified service. Under the prevailing rates there are some 6,000 and part-time, seasonal, postmasters, etcetera, about 18,000. Who are the people in this unclassified portion who would benefit? I am taking this from the Statistics of the Civil Service of Canada, numbers employed and expenditures on salaries by departments, published under the authority of the Minister of Trade and Commerce. Let us take the Department of Agriculture first and move rapidly through the list. In that department the unclassified portion who would benefit are day labourers engaged in work necessitated principally in connection with experimental farms. In the Department of Immigration and Colonization the inspectors of immigration who are permanent officials of the Department of National Revenue, are paid part-time wages only and as has already been shown in customs returns, their part-time wages—from $50 to $400 per annum—paid by this department are included in salaries and wages of "non-enumerated classes."

In the Department of Labour the same thing applies. In the Department of Marine, the expenditure on wages for all ships' companies and casual help is included under "non-enumerated classes;" the latter includes the working force employed during the summer months in deepening and widening the St. Lawrence ship channel, also artisans and labourers employed by the day as required at the Sorel shipyard and on construction work. Is there something in the far distance or the near distance or what?

In the Department of Fisheries it includes wages for egg-sorters employed for short periods, and fishery guardians employed occasionally for short periods.

In the Department of National Defence, the members of the permanent naval, military and air forces are not regarded as civil servants. Hence neither numbers of personnel nor expenditures on pay are included in this report. Transient labour is sometimes employed by military engineers on repairs and construction work.

In the Department of National Revenue it is occasionally necessary to engage employees for a few hours or days at the most, yet these still appear as those who have benefited by this generous return.

In Pensions and National Health, in the health branch, where there is no part time salaried medical officer to look after sick sailors on landing at maritime ports, private practitioners give attention to these sailors and render their accounts to the department. Occasionally when a vessel having quarantinable diseases on board arrives at a quarantine station it is necessary to engage a nurse or other help for a few days to assist the regular staff. These are among the eighteen thousand who will benefit.

In the Post Office, the employees of revenue post offices and sub post offices, together with mail contractors and licensed vendors are placed in the category of "non-enumerated classes." Mail contractors are paid under the tender and contract system, and as a rule do not give the whole of their time to the postal service. Most of the people affected by this disposition are people who have other avocations, they are not full time servants of the crown, they have some other means of livelihood, while those in the enumerated classes, the civil servants so-called, are by law precluded from engaging in any other sphere of activity than the service of the state. Those therefore are some who will be helped by the generosity of the government.

[Mr. Chevrier.]

I have therefore shown that up to the present there might be in the city of Ottawa 180 in the unclassified, and probably some 600 to 650 charwomen. There are also classified temporaries not under the civil service commission, probably some 300, so that the total affected here will be from about 1,130 to 1,200. In all Canada there are 721 in this class, grade one, with salary of $457,000; in Ottawa 180 with salary of about $114,000; 650 charwomen with wages of $22,650; and 300 unclassified at $900 or a total of $270,000. That is there would be altogether $406,952 upon which to draw this ten per cent. So this year the government would return probably $40,000, but from this one class alone they had during the last years over $80,000.

Now let us see the fairness of this return, in view of what the minister told the house when he presented his budget the other day. The total payroll of the classified service in Canada was $91,000,000 odd. The Ottawa payroll for the same period was $19,134,000 or twenty per cent of the salaries. The ten per cent deduction in 1931 gave $8,700,000. Ottawa contributed in cash $2,000,000. One quarter of about 8,000 statutory increases would amount to something like $250,000. The promotions that were stopped would represent something like $75,000. In other words, Ottawa has contributed $2,325,000. And Ottawa produced that amount out of $8,700,000 or thirty per cent of the revenue with twenty per cent of the salaries paid.

But that is not all with reference to the treatment that these people are getting now. Take for instance a chief clerk in the service; his maximum is $3,720. Suppose he was at $3,480 when the ten per cent came. His present salary is $3,480. Ten per cent off is $348, the increase stopped, $240, the deductions therefore outside of his five per cent for superannuation amount to $588 or sixteen per cent, to which adding the five per cent gives twenty-one per cent instead of ten per cent. The straight deduction by the stopping of promotions and statutory increases and the ten per cent cut bring it to sixteen per cent.

Take another class, a head clerk, a similar calculation shows the result to be seventeen per cent. Yet when the minister spoke the other day he told the house that in the last two years they had taken in a phenomenal amount of money—I will come to that in a moment.

There is another feature about it. Who are those who will benefit? Following the rules

of the house I asked His Honour for some information in respect to the staff. I asked:

Are all the sessional staffs of the House of Commons to be benefited by the terms of the proposed Salary Deduction Act just introduced?
Answer: No.
Question: If not all, which ones will?
Answer: Charwomen, pages and parliamentary restaurant employees in receipt of salaries of $1,200 or less per annum.
Question: If any are excluded, which ones are they, what are the reasons therefor?
Answer: Sessional clerks, protective staff, messengers, servants, debates staff, stenographers.

As to the reasons, I am furnished with a circular letter number 115 dated April 11, 1934, from the office of the comptroller of the treasury. I do not know whether these regulations have been changed since; if they have, so much the better, they could not have been made worse than they are now. If they have not been changed, I shall cite them so that the minister may take cognizance of them and change them. Now what is the result? Take these two cases and see the logic of it. A stenographer here during the last session earned $690, at the rate of $5 a day. But for the purpose of this bill her salary must be computed at 365 days at $5, or equivalent to a yearly salary of $1,825, therefore she gets no benefit from the proposed restoration. A servant who last year worked, say, 300 days at $2.75, was paid $825. The government in its greed at the time of taxation takes the $825, taxes it $82.50, but this year when it is a question of returning it, they say to this man, you must calculate your salary at $2.75 a day for 365 days, and as the total remuneration so worked out comes to $1,003.75 he does not get back his ten per cent. That is based on this regulation, the fourth paragraph of the letter:

The bill is applicable to all employees, including prevailing rates, seasonal and sessional, and in order to establish whether the annual compensation will be above or below $1,000, accounting officers will establish what would be the amount earned if the employee were continuously employed for the full twelve months, and then treat the employee in accordance with the classification thus theoretically established.

When it comes down to returning the ten per cent, then all kinds of regulations are made so that the civil servants will not be able to get it back. But when it was a question of deducting, then if a man earned $16, or had been paid during the past year $35 for some small services he might have rendered, he was taxed $3.50. Then we are told by hon. members opposite that this is a most generous move, and that the 18,000 people affected will to a considerable extent be benefited.

These deductions are made, in the face of a statement by the minister made on April 18, which is reported at page 2284, of Hansard, as follows:

To achieve this result, there has necessarily been a rigid scrutiny and control of departmental activities and personnel. From 1930 to 1933, government employees, including fluctuating as well as permanent staffs, were reduced by over 12,000 in number. The saving in salaries and wages exceeds $10,000,000 a year, not including the saving of some $7,800,000 arising out of the ten per cent salary deduction.

Mind you, Mr. Speaker, that from this particular class of service there has been a saving in salaries and wages exceeding $10,000,000 a year, outside of the sum of $7,800,000, and all this without one cent of expense for collection. Yet, when it comes to handing back some of this money we find exactly the contrary attitude. In other words the government took away from the service every penny it possibly could, and now when the time comes when they could do something, particularly in view of the tremendous amount of money they collected so easily, they deny even the most elementary rights of justice.

I could elaborate at greater length. What does the taking away of that amount of money from the civil servants amount to? It means that between the years 1930 and 1933, at a saving of $10,000,000 a year there has been a total saving of $30,000,000 in addition to the saving of $7,800,000 for a period of three years, amounting to $23,400,000, or a grand total of $53,400,000. There is that amount of money less in circulation among the civil service employees. One can readily imagine the amount of purchasing power which has been lost.

Next I should like to direct the attention of hon. members to the denial of promotions. This is one point which could not be considered in connection with the figures quoted by the minister. A vacancy may be created, by death or otherwise. The new appointee is not placed in the position at the salary he or she should have, but performs the work which had previously been performed at a much higher salary. Those people find themselves in the same position as the acting lance corporal, but without pay. This procedure, also, is against the recommendations of the Civil Service Commission.

As the service is not limited to the city of Ottawa, let us see what the opinion is in

Brantford. I have before me a newspaper clipping dated April 12, from that city, which reads as follows:

> There wasn't much rejoicing around the post office over the announcement all employees receiving under $1,000 would get back that ten per cent pay cut. Only one is affected—the boy who delivers special delivery letters. His pay will be raised from nine cents a letter to ten cents.

This, taken with the cheque for one cent produced some time ago by the hon. member for Kenora-Rainy River (Mr. Heenan) would indicate that surely this is a one cent government.

At this point I should like to say only a word or two with reference to certain editorials, but I am afraid that because of the decision rendered only lately by you, Mr. Speaker, any criticism appearing in an editorial directed against a measure before the house would not be received. However, I would suggest that anyone interested in the matter, and any hon. member appreciating the meaning of this measure, should refer to the editorials of the Ottawa Journal of April 10, and the Ottawa Citizen of April 11.

However, as I have dispensed with the other editorial comments I shall direct my attention to only one of them which does not affect the bill. I commend this article to the attention of every hon. member. This is an editorial of the Ottawa Journal dated Saturday April 14,—and because of the writing of this article I can forgive the Ottawa Journal for many articles they have written. It is as follows:

> One of the most significant things in Canada during the past week was something that few people noticed. It was that the government's decision to do nothing substantial about civil service salaries was almost entirely ignored.
>
> Here in Ottawa, of course, there was regret and disappointment. But outside of this city, in the dominion as a whole, the matter went all but unnoticed. Not a newspaper, that we have seen, whether published in our larger cities, or in smaller centres, evinced the slightest concern. The thing was deemed unworthy of comment.

I read this because I should like the points contained herein to be brought to the attention of all hon. members. What does this mean?

Mr. RHODES: Mr. Speaker, I must rise to a point of order. I submit it is not competent to read either a newspaper editorial or an article calling in question a matter before parliament. The hon. member for Ottawa is contravening the rules in doing so. Members of parliament are here to give expression to the voice of the people.

Mr. CHEVRIER: I suppose the point of order raised by the minister will have to come out of the time I had at my disposal. I hope the minister has not spoken with a view to interrupting the reading of the article, in other words that he has not attempted to trip me on a mere matter of time. I think it would be well for Your Honour to give a ruling once and for all as to what we are or are not to do. Only last night the hon. member for Dorchester (Mr. Gagnon) read the whole of an editorial into his speech. Then, earlier in the week the same question was raised, and in connection therewith I was pleased to read what Your Honour said when, on that occasion, the hon. member for Souris (Mr. Willis) spoke. Your Honour then decided you would look into the nature of the editorial. As it did not attack the measure before the house, and was not a comment upon the legislation itself, your decision was that the hon. member was at liberty to use it. I cannot think that there would be one decision for one member and another for another. I have the highest regard for Your Honour's decisions, and respect them at all times, but I do submit that in reading this article, one which has nothing to do with the bill but which simply explains the situation of certain classes of people in Canada, I am well within my right. It does not criticize the policy of the government, but it brings to the attention of hon. members the fact that a certain category of government employees are worthy of some consideration. Possibly Your Honour would permit me to take the same liberty as you accorded the hon. member for Souris. In that event I could read the article, and then if Your Honour decided I should not have read it you might order that it be expunged from the record.

Mr. SPEAKER: The article read by the hon. member for Ottawa is on different lines from that read by the hon. member for Souris. As I understand what the hon. member has read it does comment directly on a matter before the house. The precedent as laid down by Bourinot, has been cited so often that there can be no necessity to repeat it at this time. I do not think the hon. member for Ottawa is in order in reading further the article, part of which he has already read.

Mr. CHEVRIER: It may be that what I have already read was not in order, but what I should like to read now is certainly in order. I do not wish to quarrel with Your Honour's decision but I suggest I should be accorded the same privilege which was extended to the hon. member for Souris. If you

find, after reading the article, that it should not have been read Your Honour could say so at a later date. But if Your Honour came to the conclusion that I was within my rights in so reading the article you could so state.

Mr. SPEAKER: My ruling is that the editorial does comment directly on legislation before the house. The article read by the hon. member refers to the policies of parties. It is perfectly in order for the hon. member to make his own comments but the extracts which he is reading are not authoritative at all.

Mr. CHEVRIER: I do hope, Mr. Speaker, that we might have some decision which might be understood. I may be dense but I fail to understand just when I am permitted to read an editorial. I was very careful not to read certain ones I have just mentioned because they would constitute a violation of the rules. However, I am bound to accept Your Honour's ruling, but I must make these observations for my own satisfaction.

My time is about exhausted. For the reasons I have given I certainly cannot accept the principle of this bill which is one of deduction, and secondly, one of a continuance of deduction, also because it is so niggardly in its provisions. I am grateful for the little that has been done in a small way for a small class, but as I cannot accept the principle of this bill I shall vote against it.

Mr. A. M. CARMICHAEL (Kindersley): Mr. Speaker, before the second reading of this bill is adopted I think we are supposed to express our opinion in regard to the principle embodied in it. Lest the second reading should go by without very much protest, thereby conveying the impression that this chamber is almost unanimously in favour of this bill and the principle embodied therein, I feel like voicing my own opposition to the principle of the further continuance of the salary deduction.

We have had this salary deduction imposed on our civil service for the years 1932 and 1933, and on each of those occasions I took the privilege of speaking in favour of the principle. I did so for various reasons. I realized that the Finance minister had difficulty in meeting his obligations. Revenues were down, expenditures were increasing, and it was necessary to conserve in the expenditure of money in every way possible. Also I realized that throughout the country in general there was a tendency among business firms, commercial houses, agricultural people, school teachers and so on to reduce salaries, and the government therefore was simply moving with the general tendency in the years 1932 and 1933.

But now, Mr. Speaker, conditions are somewhat different from what they were two years ago. Instead of business firms and commercial houses reducing salaries and having their employees get along on a lower wage scale, just the reverse is happening. We notice in the papers quite frequently items such as this one from Chemainus, B.C. This dispatch is dated February 28, 1934, and it says that nearly one thousand employees get a pay increase. The Victoria Lumber and Manufacturing Company have given their employees a wage increase of approximately ten per cent, effective March 1. I have another clipping here from Toronto, that the Toronto board of education has decided against any salary reduction in 1934, and has restored to the teachers the five per cent reduction that was in effect during the last two years.

Also another clipping to the effect that the United States Senate overrode administration forces and voted to restore one-third of the federal pay cut of last February and to give back the full fifteen per cent reduction effective July 1. And so on. I could quote a number of similar extracts showing that there is a general tendency to restore that which has been taken away for the past couple of years.

It seems to me that the dominion government will be moving along the right line if they too decide to restore that which has been kept back from the civil service for the past two years. I realize that they are making a slight gesture in that direction, but it is so slight that it is very difficult even to see it, and the benefits accruing therefrom are not going to be very extensive. It would seem to me that if the entire salary cut were restored to the civil service, while it would mean the raising of an additional $8,000,000, yet the benefits to be derived from putting that amount of money into circulation would be felt in a great many channels throughout the country, including the channels of taxation. It would mean, for example, that the returns from the sales tax would be considerably increased; it would mean that the income tax returns would also be increased. It would mean that business in general throughout the dominion would receive such a stimulus that it is quite likely that a considerable portion of the additional $8,000,000 expended would come back into the dominion treasury before the end of the year.

But in any case, even though it did not, I note in Hansard that the minister in his budget address tells us that he anticipates revenue for the ensuing year to exceed expenditure by the amount of $8,800,000. That being the case, even though there should be no revenue at all come back because of this $8,000,000 of additional expenditure, there would yet be $800,000 of a surplus, according to the minister's own figures.

Another point I would like to put before the minister is this. The government of the day has penalized the civil service of this country for two years by subjecting the civil service to a ten per cent reduction. But the wages of money have not yet been penalized. The largest item in our estimates is made up of interest on our public debt, $141,494,853.65 being the interest for the ensuing year. Without going into the question whether the government is competent legally to take action in regard to interest reduction, although I realize that Australia has taken action and reduced her interest charges by 22½ per cent, I would point out that if the government did take action and reduced interest charges by ten per cent, so that a levy was put on the wages of money, as well as having a levy put for the past two years on the wages of hard-working civil servants —if we put such a levy on the interest accumulating on our national debt it would bring us in over fourteen million dollars in one year. I would commend to the minister, if he feels that he must have this additional money, the taking of action along the line of reducing the wages of money, which is interest, and restoring to the hard-working civil servants that which I am sure they will be glad to receive, and if they receive it I am sure they will put it into circulation by spending it properly.

Mr. T. F. AHEARN (Ottawa): My colleague the senior member for Ottawa (Mr. Chevrier) who has just spoken, is recognized, I think, in this house as an authority on civil service matters, and therefore I do not propose to elaborate on the civil service statistics that he has presented to the house.

When the salary deduction bill of two years ago was introduced I stated that in my opinion such a bill was a wide open invitation to business to discharge employees and cut salaries. I think the same thing applies to-day. The businessmen of the country follow the lead of the government; the government is a barometer to business and industry. Public employees were being discharged, retirements were being hastened and salaries were cut and the employers observed that barometer and tightened their belts. Up to that time many employers had felt that they were doing a patriotic duty by trying to maintain wages and keep employees at work but the government legislation gave them a definite lead. I believe this action of the government is simply a vote of want of confidence in its own fiscal policy; it is simply a matter of deflation, of tightening the belt and it has been followed throughout the country. It is a strange paradox to see the government causing unemployment and the lowering of wages on the one hand and paying out huge sums of moneys for relief with the other. I think the condition of our revenues to-day can be blamed on the basic policies of this government. Towering tariff walls and extreme deflation all along the line must lead inevitably to a burden of direct taxation. The present policy is not different from what it was in 1930.

I think hon. members will realize that the civil service is what might be described as Ottawa's most important industry. It employs the greatest number of men and women and the wages and salaries paid are more than those paid by all other industries combined. The purchasing power of the city depends upon the civil service. When the dismissals occurred, followed by the ten per cent cut and the loss of the statutory increases, a terrific blow was dealt to this city. I do not believe the people throughout the country realize what a concentrated blow was dealt to one particular community. The effect of the dismissals and the cut in salaries was immediately felt in Ottawa. The earnings of practically all business concerns began to fall and many were forced to follow the government's example. Where three persons had been employed in a grocery store, let us say, one was let out and as a rule the two kept on suffered some reduction in pay. Business failures became quite prevalent. I know, from my own experience, that many Ottawa businessmen are simply hanging on by their finger nails. A large departmental store which was founded by men who had played a big part in the building up of this city and whose memory is still fresh in the minds of most of the people of Ottawa went into receivership. The irony of it all is that this was caused by a government whose election promise was employment for all.

Last January the number of heads of families on direct relief in Ottawa was 5,000. The census of 1930 gives Ottawa a population of only 130,000. Those in charge of the relief situation in Ottawa tell me that there are still

about 4,700 heads of families on direct relief. There are also many unemployed persons being taken care of by relatives, while the missions and hostels are full of single men. The welfare bureau estimates five to a family, so hon. members will see that the unemployment situation in this city has assumed very serious proportions. I think any businessman in Ottawa will admit that the problem with respect to unoccupied houses, shops and apartments is becoming very grave.

If the reports in the press are true that employment is increasing in Canada, I am afraid Ottawa has lagged far behind. Optimistic reports have appeared in the press and optimistic statements have been made by members of the ministry in connection with the rise in revenues and I do not think anything else has received as much attention from my constituents. They feel that if these things are true, then they should receive some relief. However, I am afraid their hopes have been blasted. That seems to be the only definite policy of the government, to blast the hopes of the people of this country.

In these days of disappointments, we must be thankful for small mercies, and the return of the salary deduction of ten per cent to certain employees—I understand they number about 1,200 of whom about 700 are charwomen—is a matter of real satisfaction to the people of this city. Perhaps these people needed it the most, but the fact remains that this bill does not benefit the real civil service of the country. I understand that in Ottawa there are about 10,500 people who will not be affected by the provisions of this bill. These are the people who are charged with the main responsibility of carrying on the varied activities of government, but this great body of men and women receive no relief by the removal of the salary deduction or the restoration of the statutory increases. I warn the government, in all seriousness, that its policies with respect to the civil service are beginning to undermine the morale of the service as a whole. The service is beginning to feel that the present government has no sympathy for it or for those who live in the capital of Canada. Faith and hope are becoming seriously undermined in Ottawa. The minister tells the civil service to go on hoping. Now the civil service of Canada, as I think all hon. members of this house will agree, are an exceptionally fine body of men and women and they have exceptionally fine and high traditions of service. I remember, and I think hon. gentlemen will also recollect, the statement made by the Right Hon. Stanley Baldwin in which he expressed words of high appreciation of those civil servants of Canada with whom he had come in contact, and, coming from a country where the civil service stands very high in the esteem of the people, he paid the civil service of Canada, I think, a great compliment. After dashing to the ground the hopes of the civil service, the Minister of Finance, speaking on the budget, made the following statement as reported at page 2293 of Hansard:

> At the same time, while the improvement has been gradual, it has not only been sustained but has progressively increased. This is evidenced by the splendid increases in both imports and exports for the month of March, which show a proportionate advance in volume of trade hitherto unprecedented.
>
> It is generally recognized that this depression and its blighting effects have been world wide. This fact of itself has had the tendency to produce a "depression psychology," followed by what might be termed a "depression weariness." The result is that we do not so readily recognize and properly appraise the incontrovertible evidences of reviving activity which have made their appearance.
>
> These signs of improvements are so marked as to indicate beyond question that we are on the road to recovery. May we with renewed hope, fresh courage and firm step—

I wonder who wrote that.

> —press on towards the goal of better and happier days which lie not far ahead.

The minister is certainly optimistic and full of hope, and I cannot help feeling, as I am sure most other people feel, that he might have done somewhat better in this matter of salary restoration. He plainly voices a hope there, but he is not willing to take a chance of any kind. I understand that the revenues of the country in April have improved to a marked degree.

The policy of our neighbours in the United States has been to raise the wage levels and to reduce unemployment, but by a strange paradox this policy did not provide for the restoration of salary reductions to the civil service, which I understood amounted to 15 per cent. So that the Senate of the United States, no doubt realizing that this was inconsistent with a recovery program, have passed, over the president's veto, an act which provides for the full restoration of the 15 per cent by next July. An extremely cautious chancellor of the exchequer has also restored half of the reduction to the civil service of Great Britain. It seems, therefore, that the legislatures of Great Britain and the United States appreciate their respective civil services rather more than we do ours in Canada. Personally, I think that if there had been only a restoration of say half the cuts it would have caused great satisfaction in this

country and would have stimulated business men. They would have felt that things were on the upgrade, and that the government was leading the way in the restoration of higher wage levels and greater employment.

I cannot help regretting that the minister, who has one of the kindest hearts in this house, did not feel himself able to do something substantial for a body of people who have suffered severely during the last two or three years. People generally forget, and perhaps hon. members in this house do, that during the boom years, 1927, 1928 and 1929, the wage increases to those engaged in industry generally reached a point 90 per cent above the figures of 1913, while those of civil servants went up to only 60 per cent. If civil service salaries do not keep pace with those paid in general industry, can the people of Ottawa be blamed for coming more and more to the conclusion that the government is not really in sympathy with the civil service and the people who live here?

Let me take the example afforded by the order in council brought down by the Secretary of State a few years ago, providing that no civil servant may run for the city council or the board of control without the permission of the head of the department. Consider the number of civil servants entitled to vote in municipal elections in Ottawa. They are wanted in the city council of Ottawa because they naturally represent a very large cross-section of the city and of Ottawa public opinion. Let us suppose that a large industry pursued the same policy; I think a roar of disapproval would go up. I would suggest that that order in council be rescinded.

An election is being indefinitely delayed, and the people of Canada are voting no confidence in the government. Now public opinion must be heeded by public men. I commend Canadian history to those who doubt that statement. I commend them to look at what happened to the government of Alexander Mackenzie who remained in office a little too long; I understand that the Liberal party was out for about twenty years. And Sir Charles Tupper also disregarded byelection results, and we all know that the Conservative party was out of office fifteen years. It can be seen, I think, that history has a marvelous way of repeating itself. I commend that thought to members of the present government

I rather hope that the present government does stay in one year longer than the ordinary life of parliament, because the public will know how to deal with those who will not respect popular opinion. Let them stay in, praying for the backwash of Roosevelt and British prosperity; but the people will exact the penalty all the same. History teaches that.

In the next election campaign the Prime Minister, I suppose, will address an audience in Ottawa, and I shall not be surprised or shocked if the audience at that meeting forms itself into a giant glee club and sings at the conclusion of his address:

> It is all very well to dissemble your love,
> But why did you kick us downstairs?

Mr. HUMPHREY MITCHELL (East Hamilton): Mr. Speaker, I want to say just a very few words on the measure before the house. I notice the previous speaker said that Sir Charles Tupper disregarded byelections. I think it would have been fairer if he had said that Tupper was warned by them; possibly the recent byelection in Canada will have its effect on the government of the day and maybe we shall not have an election this year.

I have always maintained in this house a consistent attitude against reductions in salaries. I am, in fact, one of the few who have been opposed to a reduction in our own indemnity.

Mr. AHEARN: In the house.

Mr. MITCHELL: Yes, I think so, if I remember correctly. When this salary deduction legislation was originally passed I understood it was to be for just a year and of course we have had a reiteration of that policy from year to year since the act was first passed. We have now the spectacle where the government comes to the house in a spirit of contrition and the amount of money that is going to be returned to the civil service is about two per cent of the original cut. I was pleased to-day to see the hon. member for Kindersley (Mr. Carmichael) also in a spirit of contrition. We are gradually winning over all those who thought the soundest way to get out of the depression was by decreasing wages. Now we see the general movement toward what I consider the sound stand adopted by the forces of labour in this country in connection with wages. Whether we like it or not, the salaries paid constitute the cornerstone of the business life of the dominion. That has been recognized in every country in the world. It has been recognized in part by the institution of a committee under the jurisdiction of the government. It has been recognized by the republic to the south of us. It has been recognized by the government of Great

Britain in giving back to their civil servants some part of the deductions made in their salaries. It has been recognized by the railroads of the United States. I notice in today's paper that the ten per cent deduction placed in operation there is going to be returned completely to the men during the next year. It has also been recognized by the government of Ontario; whether on the basis of pure economics or politics, I would not like to say. Nevertheless they in their wisdom find that the soundest way of bringing that province and, of course, this country in turn, back on an even keel is by a restitution of the reduction of wages put into operation by them.

I would like to have seen the federal government go further. I do not say that for political effect; it is a position I have always taken, a position the labour movement in this and every other country has taken in connection with wages of men and women not only in the civil service but also in industrial and business pursuits. Until we find a way of permitting the people to consume the things they produce, we shall never get out of the woods and that is true not only of this but of every other country. The present recommendation of the government does not go far enough; it includes 18,000 civil servants who receive wages below $1,000 per annum and I understand it affects only two per cent of the permanent service.

I would like to make one or two suggestions to the minister particularly in regard to temporary employees, and especially stenographers. I understand their salaries are based on a daily wage and of course they will not come within the confines of this legislation. I believe they should be treated just the same as some of the more highly paid officials of the government whose duties to a large degree centre around the sessions of parliament. It would be a constructive policy that rather than those girls being paid just for the five or six months they are here, they should be granted an annual salary and possibly allowed to come within the jurisdiction of the Civil Service Commission. I think it is fair to say that most of them, when they leave here, are more or less kept in idleness until the next session of parliament rolls around. I am not saying this in criticism of the conditions enjoyed by those higher officials of the house whom I have mentioned.

Further, I do not think the bill goes far enough. Many of the employees coming within the provisions of the bill are single. If they are not single; if the argument should be that many of them are married, I would suggest as I have done before that their wage rates be investigated by the Stevens committee now considering the question of sweated labour. But it would have been well had the government taken into consideration particularly married men and those with family responsibilities who are outside the provisions of this legislation. I believe the government has a direct responsibility to see to it that the wages and working conditions of their own married employees conform to an adequate, might I say a Canadian standard of living. It would be well if the government would seriously consider this matter.

It is passing strange to see how the mental outlook of human beings goes in cycles. We get the cycle where people think the solution to the problem is through cutting wages. May I make this observation: if that is a solution to the problem, then let us work for nothing and we shall all become rich. If low wages and intolerable conditions constitute the basis of the success of any country, China and India would be the most successful in the world. I have no patience with some people who think because somebody else has a cut in wages, the civil servants should also have one. I do not think it is a sound policy to spread the misery. There would have been some soundness in the attitude of the government toward this question had they adopted a policy similar to that enunciated by the Postmaster General of Australia when he spoke recently before the members within the confines of this house. As he said, the obligation was spread not only over the wages and working conditions of the people in Australia, but also over the wages of money.

Mr. BEYNON: He cut the wages of the civil service there.

Mr. MITCHELL: You know how much it was as well as I do; I don't need to tell you. I am not supporting the position taken by the minister, I am just saying that the position of this government would have been far sounder if their policy took into consideration the reduction of the wages of money as well as the wages of human beings.

I have just had a note handed to me which says that the wages of a stenographer amount to less than $1,000 a year but they do not get back the ten per cent cut. I understand that their wages are on the basis of $5 a day rather than a yearly wage, which of course places them outside of the confines of this legislation.

I give the government some measure of congratulation for the steps they have taken, but I very much regret that they were not able to go the whole way, because I do not think that this country will ever get back to what

might be called a normal condition until there is recognition of the fact that the consuming power of the men and women engaged in industry, the average man and woman, is the corner stone of the prosperity of the country.

Mr. ANGUS MacINNIS (Vancouver South): I wish to add a few words to the protest that has been made by other members on this side of the house in connection with this bill. Like the others I am of course in favour of the bill in so far as it restores some of the deductions that have been made in former years. But I believe the government could have gone considerably further in restoring the deductions to the lower grades. I believe when the bill came up in 1932 some members on this side, possibly of this group, proposed an amendment that the deductions should not apply to any salary or wage less than $1,800 a year. I believe that $1,800 enables a family, if it is not too large, to have a fairly decent standard of living, though not at all commensurate with what we could have in this country if we had proper distribution and were allowed to produce wealth in the way and to the amount that we could. So I suggest to the minister and the government even now that, as they feel that conditions are improving and that there has been some gain since the date on which the announcement was made and the bill introduced in the house, they should consider increasing the number of exemptions in the bill.

Before I say anything more, I wish to congratulate the hon. member for Kindersley (Mr. Carmichael) upon the position he has taken to-day. I remember last year when I spoke along similar lines he censured me rather severely, which hurt me somewhat, and which I rather resented at the time, because I pointed out then that I was not seeking an increase for myself, that I would have even agreed to have my own indemnity still further reduced if thereby those who were getting lower wages could have their salaries increased or could be exempted from the deduction. I am glad to-day to see that he has come to realize that, as I think the hon. member for East Hamilton (Mr. Mitchell) said, we cannot bring back prosperity by reducing wages.

Another effect of the salary deduction bill is that it has eliminated the annual increments resulting from promotions from one grade to another. This also is a hardship, and I do not think it is right that it should continue. I also wish to point out that the government itself is violating the terms of the bill by discriminating between individuals in the civil service. I have before me copies of various orders in council that have been passed recently increasing salaries. There is one case of an inspector in the income tax office for Montreal district who had his salary increased from $4,500 to $5,800. I think when a person is receiving a salary of $4,500 a year he is suffering no great hardship, that he can live fairly decently on that. Yet we have the government, that refuses to increase the salary of stenographers who receive a very small wage, or continues to reduce the wages of others who receive more than $1,000 a year, increasing the salary of a person who is already receiving the relatively high salary of $4,500 a year. There is another, an assistant inspector of income tax at the Montreal office, whose salary has been increased from $2,800 to $4,000 under authority of order in council. Another one, a clerk, grade one, raised to grade two. Another, a clerk, grade one, promoted to grade three, an increase of wages going with all of these promotions. Rather than discriminate in this manner, I think it would be much better for the government to restore altogether the deductions that have been made and bring harmony and contentment into the civil service. I believe that we are all becoming convinced now that the great problem before the world, and the problem that is facing this dominion, is to find some means to distribute the wealth that we can produce in such great abundance. I am quite satisfied that we can never do that by decreasing the medium through which the individuals draw upon that wealth.

In my opinion the government should be a model employer. They should set an example to other employers. That does not mean being extravagant or wasteful. They should first set a remuneration sufficient to provide a certain standard of living, and then see that no one in their employ receives less than that remuneration. I say again that the government would be wise, they would be doing a good thing for this country by restoring all the deductions made in 1932, or, as a minimum, by exempting from the bill all employees receiving less than $2,000 a year.

Mr. A. W. NEILL (Comox-Alberni): To begin with a minor matter, I think there must be some misunderstanding in the minds of many hon. members of the house and of the sessional staff in connection with the staff's remuneration or the deduction. A pay day has passed since the minister announced that the ten per cent would be restored in

part, and the staff has had no restoration. Apparently for that reason they think they are not going to get any. Take the question of the stenographers who get around $150 a month, which is figured as $1,800 a year. That being over $1,000, the department has ruled that they cannot get the ten per cent restored. But I do not see how the government can possibly evade—I do not believe they want to—the terms of the bill that:

> no provision of this act shall operate to reduce the compensation of any member of the public service of Canada below one thousand dollars per annum.

If it be found at the end of the year that members of this staff have not earned $1,000 in the year I suggest that it is very much up to the government to give them back the ten per cent for the limited portion of the year which they have worked, even though at the time they were working at a rate greater than one thousand dollars a year. That seems only reasonable. I trust the minister will take steps, either by regulation or perhaps by an explanation in committee, to make that clear. I wish he would do so, because there is a great deal of misunderstanding not only among hon. members but also among people to whom this matter is one of great concern.

I wish to touch upon another method of accounting, which I think is unfair. Seamen on government boats receive very small pay —I believe it is $65 a month—and board. The government have a habit of putting a fictitious valuation, inasmuch as it is a sum arranged by themselves, on the value of the board the seamen receive. That amount is added to the $65, with the result that the total is brought to a point where the ten per cent may be deducted. These men are not given very much in cash. They are given the food the government buys for them, which is bought at a price the government purchaser thinks best. Whether or not the buying is done in the most economic way, we do not know and the men concerned have no say in the matter. They are charged with a certain sum—and I forget whether it is $25 or $35 per month—but at least an arbitrary sum which is reckoned as part of their wages. Many of the men are married and have to maintain homes on land. It is notorious that a man living with his family can live far cheaper than when living by himself. Surely that is a matter which should be taken into consideration. For instance, if a department sends a permanent official from Ottawa out to the Pacific coast or to any other point in the dominion on public business, the whole of his expenses are paid while such official is away. Bills for hotel accommodation, board, and other necessary expenditures are paid. Those men are not charged with the board expenses, nor is the ten per cent deduction taken on the additional amount. Such computation would not be reasonable.

The next thing I would expect to hear—and I am afraid to make the suggestion for fear the minister should grasp at it—is that the men would be charged for their sleeping accommodation, blankets and so on. Although this may be a matter of small concern to most people in the dominion, it is of great concern to the men directly interested. I know of my own personal knowledge that it does make a very great difference. Taking the ten per cent from a man who is receiving only $65 in cash for the support of his wife, his home and his children, acts as a severe strain on his resources.

To some extent I should like to follow the remarks of the hon. member for Vancouver South (Mr. MacInnis). I suggest that as times are improving, and as in every return, national revenues are increasing, the minister might consider whether in months to come, possibly in a period of six months from the beginning of the fiscal year, he could reconsider the situation, and just now make the necessary provision in the act. If at that time he found conditions had improved sufficiently, instead of waiting another six months he could then restore the ten per cent cut in its entirety. In my view he might very well do that. Such procedure would not cost him any money if the revenue was not coming in as fast as he thought it should be to justify a further increase. The minister himself showed an indication of his views in this connection because, as a matter of fact, he hesitated to make a decision in regard to the reductions until he had before him the last possible returns so as to ascertain what action would be justified.

At this point I shall deal with the bill in its wider aspects, and first congratulate the Minister of Finance upon his courage in bringing down that which he must know is an unpopular measure. With an election in sight he must realize that in the larger cities or those points of the dominion where civil servants predominate, the measure will not be received kindly. It could not have been his own disposition to incur all the odium involved, unless he considered his action entirely necessary. For that and other reasons I shall vote for the second reading of the bill. I do suggest however that he should have made the minimum limit greater, and in committee

I shall take the liberty to vote for an increase of the minimum from $1,000 to $1,500 or $2,000. That, I believe, would be reasonable. Civil servants living in towns or cities have to pay rent and are forced to buy everything they require in the way of vegetables. They have no garden facilities, they have to pay carfare and other like expenditures, and under those conditions $2,000 for a man with a family is only a mere living wage. I think the minimum, should have been placed at least in the neighbourhood of $1,800 or $2,000.

The suggestion has been made that we should all be in favour of high wages. I am in favour of high wages; I believe that a country is most prosperous when it can afford to pay high wages. But at the present time we are not discussing the question of wages throughout Canada; we are discussing the private business of the government of Canada. I do not think we could do anything better to promote the prosperity of the dominion government than to make an attempt to balance our budget. We are not dealing with a matter of wages, and I decline to be placed in the position whereby, because I vote for this bill, I am accused of being in favour of low wages. That is not the fact. I think that under present conditions the minister is justified in not going any farther in connection with restoring reductions than, as I suggest, to those under $2,000 a year. I am sorry he has not been able to give it all back. Under those circumstances we would all be getting the ten per cent which was cut off our indemnities, and for that reason there is a personal interest in it. If we wished to voice a grievance we might say that the cut was unfair, because the ten per cent is taken off our gross incomes, while on the other hand it is taken off the net incomes of civil servants. We are perfectly well aware that while we receive a certain indemnity, the sum we actually receive is largely reduced by the necessary expense incurred in obtaining it. I suppose 75 per cent or 80 per cent is spent in that way, and the real deduction should have been made on the 20 per cent or 25 per cent remaining. However I am not complaining, but I am simply pointing out in passing that the civil servant who receives $4,000 has that $4,000 to spend on his own private affairs. We do not get that. However, if the minister states, and the state of his budget reveals that no change can be made, I am prepared to suffer with the rest of the people. I must say however that in the country districts I have seen much of the bitterness of poverty. I have seen the scarcity, and scraping which has to be endured even by people in receipt of steady jobs, but whose incomes are so small that they are doing without many of the things considered necessary. Life insurance policies have had to be given up and I have known of many cases where men owning their modest homes have had to take the risk of losing them, because they simply could not afford to pay the premiums on fire insurance policies. I am not prepared to go to those people and say, "I am voting for an increase by ten per cent in the salaries of people getting from $4,000 up to $15,000 and $20,000." I could not show them that such action was justified. It must be admitted that when a person is receiving a salary of $2,000 or one which is to any substantial extent beyond that, the ten per cent is not being taken off the amount which must necessarily be devoted to the absolute necessities of life, as would be the case in the lower grades. The reduction in those cases is really taken from the amount those people would spend on luxuries. One would wonder what the word "luxuries" implies. The man receiving $10,000 per year has an interpretation of the word altogether different from the man who is receiving only $800 a year. To the man receiving the smaller sum a luxury might mean a two-bit movie once a month, or perhaps shoes which the children really need. I am prepared to go to my constituency and defend my action in this matter. In connection with those people receiving up to as high as $15,000 a year in the public service it cannot be said that a ten per cent reduction reduces their absolute necessities, as it does in the case of those working in the lower grades and receiving below, we will say, $1,800.

With the reservation that I should like to see the minister raise the minimum, in the manner I have indicated, I shall vote for the second reading of the bill.

Hon. P. J. VENIOT (Gloucester): Mr. Speaker, my attitude in regard to salary reductions is too well known for me to go into any lengthy detail in my discussion of this measure. May I repeat what I said when salary deductions were under consideration before, that I believe the limit as to those who should suffer the reduction or deduction, as you wish to put it, should be raised. The limit suggested at that time was that no salary under $2,000 should suffer a reduction or deduction. I still hold to that opinion. What has brought me to my feet to-day more than anything else is to remind the Minister of Finance of a promise that he made during the debate on this question in a previous session. He will remember that I drew his attention to what I from my experience as Postmaster General considered an

injustice that would be done to the commission postmasters. I pointed out on that occasion that if there was a reduction in the revenue of the office the commission postmaster would suffer a double deduction, a deduction of ten per cent in his regular salary, and in addition he would suffer a deduction because of the lower revenue of his office upon which his salary was placed. I also pointed out other injustices which I thought would be caused under the act as it was then laid before the house. I was pretty strong in my opposition, and the Minister of Finance on that occasion rose in his place in the house and told me, as well as the house although he was replying more directly to my argument, that if any injustice were done or any harm caused, if anything needed to be rectified, he would take steps to have it done.

Now we come to this bill which restores the salaries to a certain number of the civil servants, but I find that nothing is being done in this bill for the commission postmasters. Let me give an example of how they have been affected in the last couple of years. I have made a calculation here for myself for one post office for which I have the revenue figures for 1930 and 1933. It is the post office of Rosthern. The revenue in 1930 was $8,168, and in 1933 the revenue had fallen to $6,575. Let me be well understood. That is not the salary of the postmaster, but the revenue of the post office. How is his salary arrived at? In an office of that kind the postmaster gets a commission of 70 per cent on the sale of the first $1,000 of stamps, and 30 per cent on the sale of stamps from $1,000 to $10,000, and from $10,000 upwards a commission of ten per cent. Now, making the calculation, what do we find? In 1930 the revenue was $8,168. His commission from the sale of the first $1,000, at 70 per cent, would be $700. His commission on the balance, at 30 per cent, would be $2,150, or a total of $2,850. I am not taking into consideration the postal notes and money orders that were issued through his office because I had no means of ascertaining when I made this calculation what they amounted to, nor am I taking into account any allowance for what is called night service and forwarding allowance in the Post Office Department. I am taking the bare salary based on revenue clear of those allowances. They cannot amount to very much, about $200 or $250 in a post office of that class. That is as high as they amount to, and if they get it in one year all you have to do is to add it to the next year.

As I said, the revenue for 1930 was $8,168, and in 1933 the revenue had fallen to $6,575. Let us calculate his salary based on that reduced revenue. On the sale of the first $1,000 of stamps, his commission at 70 per cent amounts to the same as before, $700. His commission of 30 per cent on the sale of the balance of the $6,575 would give him $1,672, or a total of $2,372 in 1933 as compared with $2,850 in 1930.

Now this postmaster does not do the work of his office alone. He has to have assistants, and in an office with a revenue of $8,000 the chances are, in fact I am pretty sure, that he has at least two assistants, if not three. Those assistants are not paid by the government but are paid out of that bulk salary received by the commission postmaster, based on the revenue of his office less his regular civil service ten per cent deduction. The ten per cent deduction which is applied to his regular salary does not apply to the salary of his assistants because the government has no control over them. The postmaster may, in order to try to make up for some of the reduction he has suffered on account of the fall in revenue of the office, reduce the salaries of his three assistants. But it is a question whether he can reduce them very much. He is certainly not able to reduce them to the extent of $378.

Now what does this postmaster's reduction amount to? There is first the ten per cent deduction on his salary of $2,372 in 1933. Next there is the percentage deduction on the difference between the revenue in 1930 and the revenue in 1933. It amounts to practically 26 or 27 per cent.

I hope I have made it plain enough to the Minister of Finance to induce him to go to the Post Office Department and get them to check up on these figures, and then I am sure he will be convinced that a great injustice has been done to the commission postmasters throughout the country. They are in quite a different position from those civil servants receiving a regular salary. They are in a different position from a postmaster in an office classified as B-2. When a post office reaches a certain revenue, between $10,000 and $12,000, and the city where the post office is located has a certain population, the post office is of a different class. The postmaster who under the bulk system of revenue would be receiving for himself a salary of $3,000 or $2,500 we will say, and who must pay out of his bulk salary the salaries of his assistants, when he comes into the class B-2 post office has no longer the control of that bulk sum of revenue. It then comes directly to the depart-

ment and the civil service commission classify the office and the postmaster begins at a minimum salary of $2,040, with increases of $60 a year up to the maximum of $2,400. The assistants who previous to his obtaining that classification were paid by him out of the bulk revenue of the office are no longer paid in that way. They become regular civil servants and their salaries are fixed by the civil service commission according to the classification of the post office in which they are working. The classification may give them $700, $750 or $900, and the postmaster has nothing at all to do with the fixing of their remuneration. The postmaster in the class B-2 post office becomes a regular civil servant. He suffers the salary deduction of ten per cent, say $200. But if he had not become a regular civil servant, if he remained under the old classification of his office, his deduction would have amounted to $400 or $500. In this way an injustice is done. The regular civil servant has suffered only a reduction in his salary which is fixed by the commission but the country postmaster has had to suffer a reduction in loss of revenue and a reduction in salary. If the revenues of the post office had kept up to the 1930 figure the injustice done would not have been so great, but I think it will be found that the revenues of a post office, especially of these commission offices, has been reduced considerably. I believe there is a difference of about $2,125,000 between the present revenues of the Post Office Department and what they were in 1930. I wish the minister would consider this matter and take it up with the officials of the Post Office Department.

I hold in my hand a copy of a memorial sent to the Post Office Department by the Canadian Postmasters' Association setting forth certain reasons why these things should be changed. I have given some of these reasons already and have added others. It cannot be said that this matter has not been brought to the attention of the government because the postmasters association has been very persistent in pointing out this injustice. When we were considering the bill which made a general reduction without any exception, I stated that I could not see how injustice could possibly be avoided.

There is certain information I should like to get when the bill is in committee. I do not oppose the second reading because we must be thankful for small mercies. The government has seen fit to make a readjustment up to a certain figure and while that does not meet my views in all respects, it is something.

[Mr. Veniot.]

I understand that some 18,000 servants—I am not going to call them civil servants—of the government will be affected by this measure. I am distinguishing between civil servants and workers outside of what is really known as the civil service, especially those workers who do not come under the civil service commission for appointment or dismissal. I should like to know how many revenue and non-revenue offices, that is accounting and non-accounting offices, will be affected by this measure. With the aid of the Postmaster General's report I have endeavoured to arrive at the number of non-accounting offices, and I find there are some 3,000. I think I am pretty close to the correct figure. These non-accounting offices are little country post offices in which the postmaster receives a salary of $100 per year. Previous to your humble servant occupying the position of Postmaster General in the former government, these postmasters received $60 per year. I increased this salary and I might say that that increase was strongly supported by the opposition of that day, the present government. The increases in these salaries and in connection with other offices amounted to over $1,000,000 in that year. But the present government has cut down these small, measly salaries. People will say that that does not make any difference, that this is ready-found money for these people as they are not dependent upon the salary for their living. That may be quite true but it must be remembered that they must give time to the work. There are many country post offices where the mails are received daily and although the revenue and the quantity of mail handled is small the postmaster or postmistress must attend to see that the mail is received and distributed. The postmaster cannot afford and the government cannot afford to have a separate building, and the postmaster uses his own house as the office. The government has done what I consider it had no right to do, cut down the rental allowance by ten per cent. A country postmaster may receive perhaps $20 per year for the use of his house but that has been cut by ten per cent. There are cases where the Post Office Department will not agree to a rental above $50 per year. Sometimes an application is made to the Department of Public Works and rather than undertake the construction of a public building to be used as a post office, that department will add $50 more for rental.

Not only was that allowance cut, but the allowance for night work was cut. Under our laws a country post office need not keep

open after eight o'clock at night but any postmaster in a small country post office will tell you that people come in at eight, nine, ten, eleven and even twelve o'clock to get their mail. They come in from long distances and they see a light in the house and they come and ask for their mail. It has always been a question whether night service of that kind should be paid for by the department, but it was recognized in many cases. It does not amount to very much and is a help to the postmaster, and yet that night allowance is cut.

I am not going to ask the minister to look into too many things but I do ask him to look into the reduction in the rental, forwarding and night allowances. I ask him to see if some rectification cannot be made of what I claim to be injustices. From my experience as head of the department I know they are injustices. These injustices have existed for two years, which is too long. I hold the minister to the promise he made me when I withdrew my objection to the second reading of the bill last year, that any injustice which could be shown would be rectified. I feel quite sure the Post Office Department will admit that these are injustices and if they will not admit that, I should like to discuss them upon the floor of this house.

Mr .W. A. BEYNON (Moose Jaw): I do not wish to delay the house for any length of time on this bill. I do wish however to associate myself to some extent with the hon. member for Comox-Alberni (Mr. Neill). It is not very often that we see eye to eye, but on this occasion I think he was quite sound when he said that in discussing this bill we are not discussing wages in Canada but are discussing the private business of the government of this country. And I believe he was quite sound also when he said that a government cannot spend itself rich any more than an individual can. I know that an individual cannot because I have tried it. I cannot be at all surprised that the members representing the city of Ottawa should take the stand that they have taken on this bill. I can quite appreciate their being in favour of restoring the cut to the civil service of the country. I was however a little surprised at the attitude taken by the hon. member for Kindersley (Mr. Carmichael). It seemed to back up to some extent the stand taken by the junior member for Ottawa. He referred to the fact that business concerns in this city had gone bankrupt, and that was partly due to the reduction in the salaries of civil servants in the city. I want to say that the city of Ottawa does not know anything about depression. That is the situation.

Mr. CHEVRIER: Would that be a reason for inflicting this on Ottawa?

Mr. BEYNON: It is a reason why the people of the rest of Canada who are really suffering a depression and know what it means should not have to pay the additional taxation necessary to restore the cut. That is what it means, and I agree with the hon. member for Comox-Alberni when he says he could not support the restoration of the cut and go back to his constituents, who are suffering a decrease in revenue not comparable at all with the slight decrease which the civil servants have received, but infinitely greater, in some instances their revenue having been absolutely wiped out, and in other cases having slight revenues but being taxed to the limit of their capacity to pay the taxes of the country.

Then we have as a necessary measure one-half of the original tax on sugar. I will not stand up in this house and recommend returning the whole of the civil service cut until that tax is removed and until the revenues of the country will warrant its removal, because that is being borne by the whole of the people of Canada, who can much less afford it than the civil servants can afford to suffer this small cut.

People coming from western Canada to the city of Ottawa are struck by the fact that the people of Ottawa do not know the first thing about depression. The member for Kindersley is fully aware of that. He is a gentleman for whose views I have a great deal of respect and he is usually very sound, but I think he got off the trail this afternoon. I should like to see the salaries returned to civil servants. It is not that I have the slightest thing against the civil service and I should like to see them have the cut restored. But they are much better off, even with the reduction, than ninety-five per cent of the people of the west who are paying taxes to pay the salaries. That is the situation, and while that obtains I do not feel that I could stand in this house and advocate the return of the cut.

The hon. member for Kindersley spoke about taxing the wages of money. That subject has been explored, and he frankly admitted that he could not suggest how it could be done. I should like to see it done, and to a certain extent it is being done in so far as the refunding has been reducing interest. So far as the government is able to do that, they are doing it to their utmost.

There is one respect in which I wish to associate myself with the senior member for Ottawa, and that is with regard to the salaries of the sessional staff, those who are receiving as a matter of fact much less than one thousand a year because they are employed only during the term of the session. I do not think it is sound to compute their salary on the assumption that if employed all year they would receive over $1,000, because we know as a matter of fact that they are employed only a few months, less than half the year, and some of them come long distances. They are not overpaid. Those who have come since the increases were stopped get only $4 a day, and after they have paid their expenses they have little left. I hope the minister will give that consideration and that it can be adjusted.

I have also some sympathy with the arguments of the ex-Postmaster General (Mr. Veniot). I know there are some postmasters in the revenue post offices who should receive consideration at the hands of the minister. While I am not as familiar with that subject as the ex-Postmaster General is, I know that there is hardship. How the matter can be adjusted I do not know but I am sure the minister will give it his attention.

That is all I wish to say on the subject. I have nothing in the world against the civil service or against their getting their pay back, but while the hardly-pressed people of the west are suffering hardships, while they are in that plight, I do not feel that I could stand in this house and ask that the reductions be restored.

Hon. E. N. RHODES (Minister of Finance): I do not propose to take the time of the house for more than a few moments, especially as it will be more convenient, in committee of the whole, to deal with many of the individual and specific matters raised by different hon. members. I hope they will realize that if I make no reference to any specific instance they have brought up I shall be glad to do so when we are in committee.

There are however one or two general observations, as touching upon the principle of the bill, on which I wish to say a few words, as a reaction from some of the remarks made by certain hon. members. Take the hon. member for East Hamilton (Mr. Mitchell). He may be surprised to hear me say that I have always been an advocate of high wages. You show me the country where you have high wages and high prices and I will show you a country in which there are far more prosperous conditions than there are in the country that has low wages and low prices. That is axiomatic. But my hon. friend goes off the rails, if I may use the vernacular, when he confuses wages with the amount paid to civil servants, which must come out of the pockets of the taxpayers, including the wage earners of the country.

My hon. friend from Comox-Alberni has suggested that it must be an unpleasant task for me to be associated with a measure of this kind. I assure him it is one of the most unpleasant duties I have ever had to discharge, and I have had many in my public life. But it is a duty, and one must perform one's duty. In that connection let me make this observation and I do it in all kindliness —with respect to a remark made by the junior member for Ottawa (Mr. Ahearn) when he referred to the ill fate that befell the Hon. Alexander Mackenzie who was recognized as having been such an honest man that he said he had to sleep on the public chest with arms beside him to protect it against the raids of divers and sundry people. I do not profess to be a prophet, but I venture the opinion we are coming to the time in this country when men of the character of Alexander Mackenzie are going to receive a far greater degree of veneration than they did in times past. This dominion is strewn with wreckage in the form of public expenditures running into the tens and hundreds of millions of dollars which have been made with the acclaim of the people, not realizing, poor souls, that the day would come when they would be called upon to pay the bills. That day has arrived in very large measure and there is on the part of the Canadian people a consciousness toward public expenditures, the like of which has not obtained before. I hope the junior member for Ottawa does not continue along the trail indicated by the process of thought he showed here to-day, because if he does so, I venture to say that his continuance in public life will not be long. He was enunciating the theory that we should, to put the matter baldly, purchase the people with their own money. He had in mind the fact that in times past spending governments were popular governments. That was true, but, as I say, that was in the days when people did not stop to think and realize they would ultimately be called upon to foot the bills. I do not want to indulge in any heroics but my mind recalls a statement of Abraham Lincoln when he said: "I would rather be right than be president." I may say to the junior member for Ottawa that I would rather do my duty as

I see it than be Prime Minister of Canada, even if that involves the protection of the people as against themselves. That leads me to say this: In the first place the hon. member for East Hamilton (Mr. Mitchell), and some other hon. members for whose opinions I have the highest respect, fail utterly to take into consideration the fact that we are passing through a period the like of which has not hitherto been known in the history of the world. The very world is rocking and we are coping with a condition which we cannot measure or deal with on the basis on which we would have dealt with it under what we knew in times past as normal conditions.

The hon. member for Kindersley (Mr. Carmichael) for whose opinions, always formed as a matter of honest conviction, I have the highest respect, has fallen into error, I am afraid, when he suggests that by restoring the civil servants' pay we would improve conditions because we would be putting that much more money into circulation. I submit that we do no such thing. All we do is transfer from the pockets of all the taxpayers of Canada the $7,800,000 which would be required to be placed in the pockets of the civil servants who would receive that sum. You would increase the spending power of the civil servants to that extent but you would also diminish the purchasing power of the taxpayers to the same extent, and you are just as far ahead in the last analysis as you are in the first. The hon. member referred to the fact that an industry in British Columbia employing about a thousand men had restored the pay of its employees. Certainly, and why did they do that? Because they had the money with which to do it; the industry was earning sufficient to do it. The hon. member for Kindersley—and I hope he will not take exception to my singling him out for the moment because I want to deal with one or two of the arguments he put forward—said that the Minister of Finance in his budget estimated that we would have a surplus of some $8,000,000 during the coming year. That is true, but my hon. friend must bear in mind one or two factors. In the first place, as I know to my sorrow, this is a very difficult period in which to budget and we must have some margin of leeway. We are not dealing with budgets in the old days when conditions were more or less static. Last year I budgeted for a balanced budget this year, but I found I was wrong to the extent of $24,100,000, although I budgeted on the best advice which I could receive. There is not a country in the world which has not had that same difficulty in recent years. Let me point this out to the hon. member for Kindersley and to the house: he did not refer to the matter, but several hon. members referred to the action of the British government in restoring a portion of the salary deductions of civil servants and others in Great Britain. In Great Britain they had a surplus, not on current account but on all accounts, of a stupendous sum, greater than the amount which we shall have added to our national debt for last year and this year. Notwithstanding that surplus, what did they do? They restored only one-half of the salary deduction, and these deductions applied to school teachers to the extent of fifteen per cent, policemen, judges, members of the defence forces, cabinet ministers, members of parliament, in some instances going to twenty per cent in the higher brackets and ten per cent in the lower.

Look at the picture in Canada in the light of what they did in Great Britain. Notwithstanding that huge surplus, the British government restored only a portion of the salary deduction. Why? Because they wanted to err on the side of caution, I presume. But in Canada all we are hoping to do this year is to balance the budget on current account and go into debt still further to the extent that we have to utilize funds to meet deficits on the Canadian National Railways, capital expenditures which are not taken care of out of revenue and the amount required for unemployment relief.

It may be a surprise to the two Ottawa members that I am just as anxious as they are to see the salary deductions restored, but as a public servant I have a duty to perform and I have to keep in mind the taxpayers of this country and the fact that we must maintain the credit and integrity of the dominion We would be far better off to inconvenience, if I may use that word as a milder term, those members of the civil service who have to make the sacrifice for another year—and I hope it is the last one—than we would if we dashed into a restoration of salaries, knowing that we could bring it about only through putting additional taxation on the people.

Mr. CHEVRIER: Might I ask the minister this? I appreciate his words, but in view of what he said, would he remember, when the time comes, the burdens the civil service has borne?

Mr. RHODES: I yield to no man in this country in my appreciation of, in the main, the character of the work that is performed by the civil service. There are in the civil service the drones, as you will find in any large organization; there are some who are not earning one-tenth of their salary, but by and

large the civil service are as fine a body of public servants as you will find in any country in the world. They work long hours, and this country is extremely well served. In my experience and contact with them the latter class are the ones who complain least about this salary deduction, because they know the extremity in which the country is placed, and the dire necessity which forces the government to effect this saving.

I do not want to enter into a dissertation on economics or sociology, much less discuss the tariff, but I think it is necessary to make just one brief reference, because my hon. friend the junior member for Ottawa (Mr. Ahearn) was at pains to repeat what he had heard so many of his elders on the opposition side say, namely that our difficulties are due to the tariff policy of this government. He is a promising young man; I have every hope of his going far in public life and I do not want him to start off on the wrong foot, therefore I would warn him not to repeat in parrot fashion what he hears so frequently, or he may in time come to believe it himself. In the first place I never could understand what difference it makes to the taxpayers whether they pay by direct taxation or indirectly through the customs house. If you collect $100,000,000 in revenue through the customs house it comes out of the pockets of the people just as if it were collected in direct taxation.

An hon. MEMBER: You would do more business.

Mr. RHODES: I am prepared to admit that there are cases where the incidence is split; in some cases perhaps more is paid by the importer, in many cases it is paid by the exporter, and in some cases it is divided. But the point is that money expended by the people comes out of the pocket of someone, whether it comes through the customs house or through direct taxation. Let me point out to the junior member for Ottawa that we are not the only foolish people on earth. He cannot point to a single country in the world to-day, unless it be Russia, where there is no unemployment, and I am sure he would not want us to adopt the methods they employ there in order to avoid it. But let us say that the question he has raised in that regard is a matter which is open to argument. Well and good; we can discuss it in its proper time and place. But we are confronted with a condition and have to deal with it the best way we can, in the light of the ability of the taxpayers to meet their obligations.

[Mr. Rhodes.]

One other thing, though perhaps this is hardly necessary in view of some remarks I have already made. My hon. friend the junior member for Ottawa said in plain terms that the feeling was growing that this government was out of sympathy with the civil service. Well, that statement is quite parliamentary; my hon. friend has a perfect right to that opinion if he chooses to express it, but it is not justified by the facts. I think the ordinary, average, intelligent civil servant, and they are an intelligent body, realizes the situation as well as the government itself does. While he has to suffer because of this cut, as some of the rest of us do, he is prepared to meet the necessities of the case.

While there is much more I should like to say, I do not want to impede the progress of a measure for which I happen at the moment to be responsible. Let me impress upon the house the fact that I entertain most profoundly the hope that we shall never again be called upon to meet an emergent situation by an emergent measure of this kind. For the sake not only of the government of the day but of the country as well, and the welfare of the civil service, I hope we shall not be called upon again to deal with a measure such as this. When we are in committee of the whole I think I shall be able to demonstrate to the hon. member for Gloucester (Mr. Veniot) and one or two others who made observations to-day that this restoration means something more than they think it does. It affects eighteen thousand people, and it matters not whether they be called civil servants or what their designation or classification may be, they are employees of the government. They are now being placed in precisely the same position as they were before any salary deduction took place. Whatever complaints may have been made as to the manner in which this deduction applied in the first instance, I do not think any legitimate complaint can be made as to the circumstance that, when the time came that we could consider a restoration, small though it may be, we have first taken care of those in the humbler ranks. And we will reach those in the higher ranks, who are best able to stand it, as soon as opportunity reasonably permits.

Motion agreed to and bill read the second time.

Mr. HEENAN: On division.

The house went into committee on the bill, Mr. Smith (Cumberland) in the chair.

Progress reported.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

PRIVATE BILLS

THE DISCOUNT AND LOAN CORPORATION OF CANADA

Mr. J. A. SULLIVAN (St. Ann) moved the third reading of Bill No. 58, to amend an act to incorporate The Discount and Loan Corporation of Canada.

Mr. H. E. SPENCER (Battle River): Mr. Speaker, the bill before the house asks hon. members to sanction certain privileges to some money lending interests, which privileges I do not think are in the interests of Canada. Similar bills have come before the house on other occasions, and unfortunately some have passed. Last year a bill very similar to the present one was placed before the banking and commerce committee, and was there subjected to considerable criticism; afterwards in the house the bill was thoroughly discussed and eventually defeated. I do not know how this bill has reached this stage, but inasmuch as it is now before the house for third reading I am afforded an opportunity of saying something with regard to this type of legislation.

In my opinion the bill should have gone to the banking and commerce committee. How it passed through committee of the whole I do not know. If it had gone to the banking and commerce committee I am quite sure an amendment would have been suggested and possibly passed at that stage. Looking through the bill I find it is very similar to two bills which came before the banking and commerce committee only yesterday. Apparently the whole idea behind the legislation is to enable certain money lending interests to lend financial assistance to those whom we may describe as down and out, and who cannot get any help or support from the ordinary banking institutions. In subparagraph (i) of section 3 I find provision for a rate of interest of no more than seven per cent. At first sight this looks very harmless indeed, because under our banking laws the same rate is allowed. But upon further investigation I find that two per cent is allowed for expenses. Subparagraph (ii) provides:

> Charge and deduct, in addition to interest as aforesaid, for expenses to be incurred by the company for administration, including overhead, keeping of records, professional advice, correspondence and other like matters, two per centum of the principal amount of the loan.

It seems to me that the banking institutions of Canada have exactly that same work to do before making a loan, and if they charge more than seven per cent we penalize them. In the present instance, however, it is suggested that the corporation in question should be allowed to charge another two per cent in addition to the seven per cent, because of the work falling to their lot. In the new Bank Act, supported by the government of the day, we have seen fit under section 91 to provide severe penalties if the banks charge more than the rate of seven per cent. Yet this bill asks parliament not only to permit the charging of seven per cent, but to permit an additional charge of two per cent to do the work done by the bank under the original seven per cent.

That is not all. In subparagraph (iii) I find provision for a fee not exceeding $10 for sundry services. Furthermore, interest is deducted from the principal before the principal is given to the borrower. This in itself means that the borrower is penalized for a good deal more than the rate called for in the bill. He does not get the full principal, but gets a sum less interest and other charges.

Further, if the unfortunate borrower happens to be so lucky as to be able to repay the loan before the due date he can do so only on condition that the lender has the option of deducting three months' interest. These various interests added together total about thirty-eight per cent. When we put stringent regulations and penalties in our Bank Act to prohibit banking institutions charging more than seven per cent surely parliament is not going to allow a loan corporation to lend money to probably the poorest of our people at a rate of about thirty-eight per cent interest. I have known of people in western Canada who borrowed at the rate of eight per cent or nine per cent compound interest. Once those people got into the hands of the moneylenders they found it most difficult to get out. Therefore I oppose any bill such as the present one which is likely to force borrowers to pay such high rates. I oppose it because I believe that only in very few cases will the borrower ever get out of the clutches of the moneylender. I therefore move:

> That the bill be not now read a third time, but that it be referred back to the committee of the whole with instructions that they have power to amend it as follows: Insert the following paragraph immediately after subparagraph (iii) at page 3 of the bill, namely, IV "In no case shall the total charges for interest and additional charges exceed thirteen per cent per annum."

Mr. HUMPHREY MITCHELL (East Hamilton): Mr. Speaker, I seconded the motion of the hon. member for Battle River (Mr. Spencer) because I am of the opinion

that this form of organization is unnecessary in Canada. I am not unmindful that charters are being granted to similar organizations. I believe it was last session I listened to a speech delivered by the Minister of Trade and Commerce (Mr. Stevens) in which he discussed interest rates and said that an interest rate of even ten per cent was unsound. I hold in my hand a pamphlet circulated by one of the corporations similar to the one now under consideration, a corporation which received a charter through this House of Commons and is doing business. They have a very subtle way of advertising. They say that they make loans of $50 to $500 to men and their wives for paying bills, meeting emergencies, and taking advantage of opportunities. They also say that the corporation is incorporated by a special act of parliament of the Dominion of Canada and that its activities are closely supervised by the dominion superintendent of insurance, and they add: "These facts guarantee the strength, reliability and motives of the organization." They go on to give the cost to the borrower of some of the loans. The following table shows the actual cash received by the borrower on loans of different amounts:

Amount of loan	Actual amount of cash received by borrower
$456	$404 96
300	263 00
240	208 40
180	153 80
120	99 20

Taking into account the cost of negotiating the loan, the discount, and the rate of interest charged, the borrower pays in some cases almost forty per cent. In the first place, it is absolutely unsound; in the second place I consider that it is taking advantage of people who possibly because of the present depression find themselves in the position of being compelled to borrow from these corporations. I do not think this house or the people of this country are willing to grant such powers to any individuals or groups of individuals. People of this sort are called loan sharks in the United States where the people have had a great deal of experience with them. The people of France have also had considerable experience with these loan sharks quite recently. I refer to Stavisky, the man who committed suicide and brought about the collapse of the French government.

In this pamphlet the corporation goes on to say that banks are principally wholesalers of credit while this corporation is a retailer of cash. They add:

[Mr. Mitchell.]

Since these small loans do not bring the banks a profit, they are forced to insist that they be well secured by negotiable collateral or acceptable endorsement. Banks do not accept as security the customer's chattels and wages—the only security many thousands of families have to offer.

I would point out in connection with their statement, "Banks do not accept as security... wages" that anyone who has had experience in municipal government knows that many of the municipalities have in effect regulations that should an employee's wages be garnisheed he is automatically discharged. I do not know of any better security that any corporation would desire for a loan than the borrower's fear of losing his employment under present conditions. They go on:

Many people of considerable means who might have bank credit by asking their friends to endorse for them, prefer to avoid these inconveniences even at a higher cost by coming to—

I will not give the name of this lending corporation, but they go on to say that the above-mentioned borrowers come to the lending corporation "when in need of sums of from $50 to $500." It will be observed how subtle is the approach made by this corporation with headquarters in this city, in their advertising to induce people to borrow from them. They say further:

To-day money is essential to the family. Gone are the days when the pioneer raised his own produce and traded it for everything from cloth and foodstuffs to household furnishings.

There is an ever-present need for money when debts pile up because of sickness, temporary unemployment, pay cuts, or when funds are needed for emergencies of birth, death, travel or to take advantage of opportunities in education or business.

I do not need to point out the unsoundness of the proposition and the unethical approach in an advertisement of this description. It puts me in mind of some of the advertisements for patent medicines which were scrutinized by the government to the south of us, advertisements setting out letters testifying to cures for certain diseases from people who on investigation were found to have died within six months of writing the letters.

Mr. COOTE: Having got enough from the testimonial to pay the funeral expenses.

Mr. MITCHELL: If there was not so much tragedy in the situation it would be almost a comedy. The pamphlet goes on to give testimonials from various individuals:

A financial expert who had found it necessary to borrow—

He must have been some expert.

—to meet unexpected expenses wrote after the loan had been completed as follows:

"I would like to take this opportunity to say how much I have enjoyed doing business with your firm, and where it does not interfere with my own business, I will be pleased to recommend your company to any reputable party seeking financial assistance."

We are passing through troublous times when many in poor circumstances find themselves with obligations that they have incurred, but I do not think that the conditions justify our giving any organization the right to charge interest rates of from thirty to forty per cent. Whether we like it or not, if we pass this bill, the responsibility is ours. It is passing strange that in this period of depression so many applications are being made to parliament for charters for corporations of this description. I would like the members of this house to bear these observations in mind when they are deciding whether this bill shall become law. Frankly I do not believe these organizations are necessary in this country.

I could speak at much further length, but as the hour is passing I will conclude by saying that I felt it my duty at least to point out to the house and to the people the subtle form of advertising that is being done by these loan companies in the pamphlets which they spread broadcast to catch people who possibly have not sufficient knowledge of the actual costs and charges involved in the borrowing that is done under the conditions laid down in the charters which companies of this kind get from the dominion government.

Right Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, there is of course a duty that rests upon the government of the day to be responsible in varying degrees for the legislation enacted by the house. It is the view of the government that this bill should not be passed in its present form. In addition to that, I suggest to my hon. friend from Battle River (Mr. Spencer) that with the permission of the house he amend his amendment by striking out the words "not more than thirteen per cent" and substituting words that the bill be not now read the third time but be referred back with instructions to the committee on banking and commerce. While it is being considered there the government will decide whether or not it is advisable to enact legislation to provide that the companies which have already secured charters, as mentioned by the hon. member for East Hamilton (Mr. Mitchell), shall be subject to a general law to the effect that the rates which they may receive, including all charges, shall not exceed a fixed percentage somewhat less than the sum mentioned by the hon. member for Battle River. If the amendment should be altered as I suggest, we could immediately dispose of it; if not, I suggest that some hon. gentleman adjourn the debate in order that an opportunity may be given to consider just what form the statute should take to meet all cases of this kind.

Mr. SPENCER: With the permission of the house and on the suggestion of the Prime Minister (Mr. Bennett) I am quite willing that this bill should go back to the banking and commerce committee.

Mr. SPEAKER: With the unanimous consent of the house the amendment will be amended to read:

That the bill be not now read a third time but that it be referred to the select standing committee on banking and commerce.

Amendment as amended agreed to.

WAWANESA MUTUAL INSURANCE COMPANY

Mr. W. W. KENNEDY (Winnipeg South Centre) moved that the house go into committee on Bill No. 29, respecting the Wawanesa Mutual Insurance Company.

Motion agreed to and the house went into committee, Mr. Lavergne in the chair.

On section 1—Incorporation.

Mr. KENNEDY (Winnipeg South Centre): Mr. Chairman, I have prepared a brief memorandum setting out the reasons for these amendments and which I hope will make them clear to the committee. The Wawanesa Mutual Insurance Company was originally incorporated in Manitoba in 1895. In 1929 a dominion charter was secured under chapter 85 of that year, the new company taking over the risks of the provincial company. The company is incorporated to carry on the business of insurance on the mutual system by premium note and also on the cash system, although it is primarily a mutual company. On the mutual system a premium note is given for an amount somewhat larger than the amount payable on policies issued on the cash premium system, payable in three years. An annual assessment is made against the note and the insured remains liable to the extent of the balance of the note, usually twenty-five per cent, for losses until the insurance is terminated. Policyholders on the cash premium plan have no liability beyond the cash premium paid or agreed to be paid. The main business of the company is fire

insurance on the mutual system but it also issues automobile policies as well as cash premium fire policies.

At the time of the incorporation of the company under dominion charter, automobile insurance was not thought of, although this was included in the powers of the act. Fire insurance, mainly on the mutual system, was the object in view. Consequently, provisions in the act as to membership were not considered as closely as they might have been and were made somewhat wider than is desirable where other classes of policies, such as automobile insurance, are issued. The company eventually decided to issue automobile insurance on the cash plan and in order to preserve the mutual character of the company, even though it deals in other classes of insurance to some extent, it is deemed advisable to have the act amended so that membership will be limited to policyholders on the mutual system. This will correct a situation which is created by the present provision as to membership in the company and which is undersirable and prejudicial to the interests of the mutual policyholders who are and will remain to all intents and purposes the mainstay of the company. This provision is that each policyholder is entitled to one vote for each $1,000 of insurance carried. Under this provision anyone paying a premium on an automobile policy of approximately $80 can secure insurance for $100,000 public liability, $1,000 property damage, $1,000 collision damage and $1,000 fire and theft, making a total of $103,000. This insurance would entitle him to 103 votes. For the same premium a fire insurance policyholder would have a covering of not more than $16,000 and would be entitled to only 16 votes. Under the above provision, cash premium policyholders who pay considerably less for premiums and who have no further liability have equal voting rights with the mutual policyholders who are contingently liable over and above annual assessments up to the full extent of their premium notes for losses during the term of their insurance. The company was essentially a mutual company and it was never the intention to extend membership to policyholders other than those on the mutual system. It would be entirely contrary to the purposes and objects of the company to do so.

There are no provisions covering this point in the dominion insurance act, but some of the provincial acts such as British Columbia, Manitoba and Ontario contain provisions governing mutual insurance and limiting membership in a mutual company to policyholders under the premium note plan. I would refer the committee to section 149 of the Manitoba act, chapter 5, 1932, to section 28 of the British Columbia Mutual Companies Act; and to section 263 of the Ontario act, chapter 218, revised statutes of Ontario, 1927. It is felt that this restriction is a proper one and necessary for the purpose of preserving the mutual character of the company and an amendment is therefore sought to the company's act of incorporation to provide for membership along the lines of the sections of the British Columbia, Ontario and Manitoba acts above referred to. The amendment proposed has been submitted to and approved by Mr. Finlayson and it follows the wording of the act incorporating the Commerce Mutual Fire Insurance Company, chapter 90, 17 George V.

Section 1 of the bill amends section 1 of the act and provides for the restriction of membership to those on the mutual system. Section 2 states that a director shall be a member on the mutual system. Sections 3 and 4 carry out the same idea. Section 3 states that each policyholder on the mutual system who is not in default shall be entitled to a vote and that any member who ceases to hold a valid policy on the mutual system shall thereupon cease to be a member. This bill has been passed unanimously by the committee on banking and commerce.

Mr. SANDERSON: Does the company do business outside of Manitoba?

Mr. KENNEDY (Winnipeg): It has a dominion charter and it does business outside of Manitoba; it operates in Ontario.

Mr. RALSTON: Are all policyholders now members, that is, are all holders of automobile insurance policies members as well as those who pay cash premiums?

Mr. KENNEDY (Winnipeg): Under the act as it stands, anyone who has a policy is a member of the company.

Mr. RALSTON: Section 4, which requires a two-thirds vote of the members, means the votes of the present members, in order to bring the act into force.

Mr. KENNEDY (Winnipeg): Section 4, to which the hon. gentleman refers, provides:

This act shall come into force on the date to be specified by the superintendent of insurance in a notice in the Canada Gazette, and

such notice shall not be given until this act has been approved by a resolution adopted by at least two-thirds of the votes of the members of the company present or represented by proxy. . . .

That would refer to all policyholders of the company.

Mr. RALSTON: The present members.

Mr. KENNEDY (Winnipeg): Yes.

Mr. SANDERSON: Was the company's original charter a dominion charter?

Mr. KENNEDY (Winnipeg): It was a provincial charter obtained in 1895. The present charter, which is dominion, was obtained by special act in 1929, taking over all powers of the former company.

Mr. SANDERSON: When did this company start to do business in Ontario?

Mr. KENNEDY (Winnipeg): I have not the information at hand.

Mr. SANDERSON: Apart from Manitoba and Ontario, in what other provinces do they do business?

Mr. BENNETT: All the western provinces.

Mr. KENNEDY (Winnipeg): I understand it does business throughout Canada; it is widely known.

Mr. McKENZIE (Assiniboia): In section 1, giving the list of names, the name Manstone in line 12 should be Vanstone. I happen to know something about the company and I think that name as it appears in the bill is misspelled. The insurance manager is Mr. Vanstone.

Mr. BROWN: Vanstone is the name.

Mr. KENNEDY (Winnipeg): If the hon. member knows that it should be Vanstone it should be changed.

Mr. BROWN: There is no question that Vanstone has been the manager of the company a good many years.

Mr. KENNEDY (Winnipeg): That is the gentleman referred to.

Amendment agreed to.

Section as amended agreed to.

Sections 2, 3 and 4 agreed to.

Bill reported, read the third time and passed.

PERSONAL FINANCE CORPORATION

On the order:

House in committee on Bill No. 43, to incorporate Personal Finance Corporation.—Mr. Hackett.

Mr. BENNETT: Stand.

Mr. POWER: When this bill came before the committee yesterday an amendment was moved by the hon. member for Sherbrooke to the effect that the life of these companies should be limited to five years or ten years in the same manner as the bank charters, which are renewed every ten years. The Minister of Finance, who was in the committee, said he thought the matter was worthy of consideration by the government, provided that the government could also as a matter of policy limit or restrict the existence of companies previously incorporated, because it would be obviously unfair to treat these new corporations which are now being brought into existence by parliament differently from others which had received authority to perform similar functions. I would ask the Minister of Finance, when the general policy of the government with respect to these loan corporations is being discussed, as the Prime Minister promised us a few moment ago it would be discussed, to call to the mind of his colleagues the fact that it might be in the public interest if the life of these loan companies were limited in a similar manner to the life of the banks.

Mr. RHODES: My hon. friend will recall that in the committee I said that in the first instance I would confer with the superintendent of insurance and following that conference would take the matter up with my colleagues. Otherwise my hon. friend is accurate in stating the situation, and I shall be glad as opportunity presents itself to consider his suggestion.

Bill stands.

THOUSAND ISLANDS BRIDGE COMPANY

The house in committee on Bill No. 27, to incorporate Thousand Islands Bridge Company—Mr. Maloney—Mr. LaVergne in the chair.

On section 1—Incorporation.

Mr. SPENCER: What is the number of the bill?

The CHAIRMAN: This bill is No. 27. It is not on the order paper, but a motion was made, granted by unanimous consent, to put it on the order paper.

Section agreed to.

Sections 2 to 19 inclusive agreed to.

On section 20—Employment of labour.

Mr. STEWART (Edmonton): May I inquire of the sponsor of the bill whether the

rate of tolls to be charged on this bridge will be the same as those in effect elsewhere in the province? Who is in control of the tolls?

Mr. MALONEY: I understand the toll rates will come under and be subject to the approval of the railway commission.

Section agreed to.

Section 21 agreed to.

Bill reported, read the third time and passed.

CIVIL SERVICE

SALARY DEDUCTION ACT—RESTORATION OF TEN PER CENT CUT TO EMPLOYEES RECEIVING $1,000 OR LESS

The house resumed consideration in committee of Bill No. 55, to provide for the deduction from compensation in the public service—Mr. Rhodes—Mr. MacDonald (Cape Breton South) in the chair.

On section 2—Definitions.

Mr. HEENAN: There is one minister for whom I would almost let everything he proposes go through because when he proposes anything in the house he does so with such a gracious smile and I get so few smiles from any other minister of the present government that I would do almost anything for the Minister of Finance. But I listened to him with interest just before six o'clock and I am sorry that he attempted to read a lecture to some members on this side of the house—

Mr. RHODES: Oh, no.

Mr. HEENAN: —especially the two members for Ottawa, because, forsooth, they endeavoured to advance an argument why many of their constituents ought not to have their wages or salaries reduced. In closing the debate on the second reading, the minister, if I got his words correctly, said in effect—and there may be something in his argument—that this country is strewn with the wreckage of public expenditures made, as I believe he suggested, with public acclaim. I am inclined to agree with him that a great deal of public expenditure has been made in Canada with the consent and approval of the people generally. I think the minister also added words to the effect that the poor souls did not know at the time they were clamouring for those expenditures that some day they would have to pay the bill. I thought it was very strange for a minister of this government to make such a statement, because I am satisfied no other party that has ever been elected to power in this country has made so many promises as hon. gentlemen opposite have made in regard to public expenditures. And now when their policies have all failed, and brought the country to the verge of financial ruin, in order to make up part of the loss they take it out of the poor public servant. I can recall the promises made by the present Prime Minister and his candidates—I do not know whether the present Minister of Finance joined with them, for he was not a candidate; he was premier of a province at the time, but if he was anything like the then premier of Ontario, Hon. Howard Ferguson, he would have made plenty, because Mr. Ferguson not only proclaimed and repeated throughout Ontario the promises made by the leader of the Conservative party but added a good many others on his own account. Then of course he dug himself into a good job and left his colleagues in Ontario to sink, but unfortunately the people of Ontario had to sink with them.

Mr. SANDERSON: But he is still their adviser.

Mr. HEENAN: At any rate when on that occasion the present Prime Minister and his colleagues went through the country they knew the financial conditions that prevailed; they knew there was a world depression—if they did not they had no right to seek election to office—and it was just one more mistake the public made. But notwithstanding their knowledge of the conditions they went out clamouring for office, promising one thing after another—a national system of old age pensions paid one hundred per cent from the federal treasury; a national highway paid one hundred per cent from the federal treasury; technical education; a technical school in every little hamlet—and by the way in order to hoodwink the people they did introduce a measure in 1931 providing for grants for technical education but refused to pay in accordance with it—public works galore, in every part of the country—

Mr. BEAUBIEN: Mafeking cut-off!

Mr. HEENAN: Do not let us talk about railroads, because if this government is in office much longer we shall not need even tramways to take the goods out of the country. And what promises the Prime Minister made to the public servants themselves in Ottawa! I read some of the Prime Minister's speeches and I heard him over the radio the night before the election. There is no use repeating

here what he promised the civil servants of the country. That is why I was astounded to hear the Minister of Finance read a lecture to the two members for Ottawa this afternoon because they were doing what they could to see that the public servants of this country got a square deal. Now I am not going to enter into any lengthy address, I am sure my hon. friends will know that—

An hon. MEMBER: Thank you.

Mr. HEENAN: I know my friends like to hear me, but I intend to deny them that pleasure. I am going to reserve my further criticism of this measure, because I said last session and the session before all I could say on the subject. I agree with the hon. member for East Hamilton (Mr. Mitchell) in practically everything he said, that the cutting down of wages and salaries only sinks the country into the mire that much deeper. Whether they are paid from the public treasury or anywhere else, the more money you take out of circulation the longer the country will be in getting back to prosperity. The point I want to make now is that the government ought to be an ideal employer; the government should take the lead. Here is a government that promised higher wages to the workers, higher prices to the farmers, yet was the first organization in the dominion to reduce wages. The Prime Minister made no bones about it; you have to take off your hat to him for something. When this bill was introduced he said someone had to lead the way, someone had to show an example in Canada. Unfortunately business men and employers of labour all over Canada followed his lead, followed the example of the government of Canada, and cut down wages and salaries to such an extent that in some cases they are not considered wages at all. In fact the Ontario government say that the money they are paying to men on the highways is not wages, that it is just a little pittance to enable them to buy a plug of tobacco once in a while. All that has resulted from the example of this government.

I want to hear the interpretation put on some of these clauses to see whether the public servants are going to get anything out of the measure. Out in the corridors I have heard several interpretations, though of course the Prime Minister is not responsible for them. I even heard that sessional employees, for instance the stenographers, are not to get the benefit of this restoration because they are paid by the day. Yet this bill says that those receiving not more than $1,000 a year are not to be reduced. I understand that the sessional stenographers receive about $500, yet they are not to get the benefit of this because forsooth it is argued—I hope the finance minister does not argue that way—that they receive $4.50 or $5 a day and therefore their salaries calculated on a yearly basis at that rate exceed $1,000. If that argument is applied I think the minister should work it the other way too, and should guarantee these public servants at least $1,000 a year. I think that is fair; he cannot have it both ways.

I shall reserve my further remarks until we get the minister's interpretation of the bill.

Mr. RHODES: As I understand it, the immediate subject under discussion is section 2 of the bill. After the exhaustive and illuminating analysis of the section made by my hon. friend (Mr. Heenan) there scarcely remains anything for me to say. However my immediate occasion for rising is to take exception to the attitude of the hon. member for Kenora-Rainy River in suggesting that though it is competent, to use his own expression for the members for Ottawa to "put up an argument" with respect to their views concerning this measure, it is not competent for the Minister of Finance to put up an argument without being accused of reading a lecture to the hon. members for Ottawa. Now, sir, surely my hon. friend, who ought to be a democrat, should not in a free parliament deny even to one so humble as a minister of the crown the right to give expression to a point of view without being taken to task as having lectured hon. gentlemen opposite. If there was anything either in my voice or the manner or matter of my remarks which would lead my hon. friend to think I was attempting in a superior way to lecture hon. gentlemen opposite, I beg to assure him that such was far from my mind. All I can say is that if in the circumstances hon. gentlemen felt they were entitled to receive a lecture, then they must assume the responsibility, and I hope they will not blame me.

My hon. friend at the end of his observations was good enough to put a succinct question to me as to the meaning of this bill. I shall be glad to answer him or any other hon. gentleman to the best of my ability with respect to any question that arises. I wish to assure my hon. friend that the bill provides in clear terms that the compensation of any employee in the public service—and the definition is given in this section; it is a very wide one, namely:

"Compensation" means the salaries, wages, commissions, fees, or other remuneration,

authorized to be paid by statute, or regulation, or other authority, and includes sessional indemnities and allowances, in cash or in kind, forming part of the remuneration attached to an office.

Putting it in as plain language as I have at my command, I wish to say that the bill provides that the compensation within the year of anyone in the public service shall not by virtue of this act be less than $1,000 per year. Sessional employees who are in receipt of wages of $5 a day projected over a given number of days would be placed in a class beyond the range of $1,000. But the length of time they actually serve, which depends upon the length of the session, will determine whether they will or will not within the period of a year receive $1,000. And if at the end of the session those employees do not in the aggregate for the year receive a salary of $1,000 they will be subject to no deduction. Inevitably there will be cases where immediate provision cannot be made, because it will not be known until later in the year whether an employee will fall within one class or the other. I would refer my hon. friend and the committee to subsection (c) of section 6, which is very wide in its terms and reads:

The treasury board may make regulations—
(c) For any other purpose deemed necessary to give effect to this act.

I can assure my hon. friend and the committee that the attitude of the treasury board will be to make regulations which shall construe this act in the widest possible terms in favour of the public servant, with the object of carrying out the express purpose of the bill as provided more specifically in section 3, that the compensation within the year of any public servant shall not, by virtue of any provisions of this act or of its operation, fall below the sum of $1,000.

Mr. VENIOT: Was that the condition in the old act?

Mr. RHODES: No.

Mr. BROWN: It has often been in my mind to dissent from a view frequently expressed in this house, but hitherto I have refrained. That view is based seemingly on the belief that all industry exists for the purpose of paying wages—that we run our railways to pay wages; that we carry on our industry to pay wages, and that our farms are operated to pay wages. I wish to dissent most emphatically from that view. This afternoon the contrary view was expressed by the hon. members for Comox-Alberni and Moose Jaw. Wages or salaries are simply one of the factors which enter into the expense of carrying on industry, whether it be private industry or government business. The idea that industry can be brought back to a prosperous condition by paying high wages is, to my mind, beginning at the wrong end. It is putting the cart before the horse. I should be only too happy if Canada were in a position to pay high wages. But let us consider the position on the farm. I know perfectly well that we cannot bring farming back to a prosperous condition by beginning to pay higher wages. Unfortunately, and much against our will on the farm we have had to reduce wages. The most prosperous time on the farm was the time when we were paying high wages; those wages were demanded of us when times were good. Certainly we would be glad to go back to those days. What applies to the farm I believe applies with equal force to other industries and to matters of government. I agree with the statement made this afternoon by the Minister of Finance, namely that to pay high wages to one class in the community, thereby increasing its purchasing power, we must take it out of another class by taxation. I know that idea is combated by the hon. member for Kenora-Rainy River and other hon. members at the end of the chamber. My firm conviction, however, is that just as farming cannot be made prosperous by beginning to pay high wages, neither can any other industry.

This afternoon when we were discussing the motion for second reading I called attention to the fact that I thought one section of the public service was being unduly discriminated against in the matter of salary deduction. My point was taken up by the former Postmaster General, a man thoroughly familiar with the whole situation. He stated the case very much better than I could have hoped to do, because in these matters I have not the knowledge possessed by the former minister. Let me, however, state the facts about one case which has come to my attention—I am not going to say it is an accurate statement of facts, but I give them as they are given to me. Certainly under such circumstances it would seem that revenue postmasters are being treated with some unfairness. For instance the person whose case I now put before the committee has stated that the postmaster's gross salary is $2,000 and that after a ten per cent deduction amounting to $200 the net amount received is $1,800. From that amount this man has to pay an assistant's salary of $500, fuel expenses $150, lighting $60, caretaking and insurance $100, reducing the net income to $990. If that is anything like a correct statement of the facts it will be perfectly plain to all hon. members that a ten per cent deduction from the gross

receipts of this man has the result of subjecting him to a much higher deduction than that taken from any other class of public employees.

I am glad that in this measure the government has introduced the principle of setting a minimum from which there shall be no deduction. It will be remembered that when action was taken by the government two years ago to reduce the salaries, the contention was strongly urged that that system should be adopted. To some extent that principle is now recognized. So that, for my part, while I do not like to lose that extra $400 which hon. members would like to have received all these years, I cannot protest against the general purpose the government has had in view in adopting this legislation, much as we may dislike the effect it has had upon our indemnities.

Mr. HANBURY: I am afraid I cannot agree with the hon. member who has just taken his seat (Mr. Brown), that civil servants may be receiving either more than or as much as they are entitled to receive. I believe that in the civil servants of Canada we have a body of men and women who are entitled to anything that we can afford to pay them, within reason. I recognize the necessity of the government's attempting to balance the budget. But based on the very optimistic remarks made by the Minister of Finance upon the presentation of his budget, and particularly upon certain remarks made by the Minister of Railways and the Minister of Trade and Commerce before the electors of South Oxford, we are naturally entitled to come to the conclusion that conditions in Canada are on the up grade. I am one who believes that we are on the up grade. I believe also that the main responsibility for giving added impetus to the present trend rests with the government. The government have recognized this to some extent in the clause exempting from the cut the salaries of $1,000 and under. I think they should have gone much further. My own view is that they should have returned the whole ten per cent deduction. That would have done much to give encouragement to every class of the community throughout the country. I believe also that it is in the interests of the Canadian people that the government should return as soon as possible—it should have been done before now—the statutory increases which they have withheld and are withholding from the civil service. The government should also return to the system of giving the civil service the promotions which they have earned.

The main basis of my remarks, Mr. Chairman, is not that the civil service is overpaid or underpaid. I think the government have the responsibility to go as far as they possibly can in encouraging industry throughout Canada to-day and in encouraging people all over this dominion to spend the money they are withholding from the market.

With reference to the high wages referred to by my hon. friend who has just preceded me, I would point out to him that it is not a question of high wages or low wages; it is a question of relative purchasing power. We all recognize that the farmers of Canada to-day have a low purchasing power. We also recognize that the farmers of Canada to-day, particularly the wheat growers of the west, have received government aid on many occasions. I can speak perhaps for some of the industries that have not received a five cent bonus on wheat and other assistance. The lumber industry has not received the encouragement that even the grain growing industry has received in Canada, and yet the lumbering industry is quite prepared to shoulder its full share, I am sure, if the government will give that encouragement to industry which it should in the present circumstances.

I am again going to suggest to the minister that in my opinion there is a grave responsibility on the part of the government at this particular time to give added impetus to industry by seriously considering returning to the civil service of Canada the deduction which is being continued by this bill.

Mr. MANION: May I ask my hon. friend a question? Is the lumber industry paying as high wages in the bush, for example, as it was four or five years ago?

Mr. HANBURY: In comparison with five years ago there is a difference, but what the actual difference is I cannot say offhand.

Mr. MANION: A difference downward?

Mr. HANBURY: Downward. I would point out to my hon. friend in that connection that in British Columbia we have only recently had reenacted the minimum wage law. Prior to the enactment of that law the conditions in the lumber industry in British Columbia, arising out of the struggle for existence, permitted the operators to pay only a wage much below what should be paid, but through some development in the industry we have recently enacted a minimum wage law which provides the same minimum wage that was effective five years ago. Whether the

more efficient workmen or the higher branches of the workmen in the woods will receive the same relative increase as the minimum wage represents is something that has not yet been demonstrated.

Mr. MANION: Then my hon. friend's industry is not doing to-day what he advocates we should do in connection with the civil service.

Mr. HANBURY: The industry in British Columbia has just decided to do that very thing. They are paying a minimum wage equal to the minimum wage that was being paid five years ago, notwithstanding that the cost of living is lower.

Mr. MANION: A minimum wage but not a maximum, my hon. friend said.

Mr. HANBURY: It is a minimum wage we are discussing, with ten per cent taken off.

Mr. MANION: I do not admit it is a minimum wage.

Mr. GARLAND (Carleton): Last session when the salary deduction measure was before the house I made a plea for the lower grade civil servants. I am thankful that the government in their wisdom have seen fit to restore the deduction to civil servants receiving salaries less than $1,000. It might have been better if the minimum had been placed a little higher, but the decision must be left to hon. gentlemen on the treasury benches, who are in a better position than the ordinary member to know the actual financial condition of the country.

I was glad to hear the explanation that was given by the Minister of Finance with regard to sessional labour. Another class which should be given the same consideration is the labourers, teamsters and such who are working, for example, at the experimental farms. From the interpretation given to-night by the minister I should judge that they are to be given the same treatment.

I realize quite well that in the constituency which I have the honour to represent there are mechanics and labourers who have had a much larger reduction in their income than ten per cent. In fact, many of them are still out of work. The farmers in my constituency and the dairymen who live closer to Ottawa are selling milk from their farms to the distributor for something like 76 cents per hundred pounds, which is two cents for milk that is being delivered to the consumer at ten cents a quart. I have no doubt, however, that they will be looked after by another committee of this house that is now sitting.

[Mr. Hanbury.]

I have sympathy with the civil servant who is receiving a little more than the $1,000 and does not share in the restoration of salary provided for the lower paid employees. I have sympathy also for others who are working in this city, the street railway men, for example, who received a reduction of ten per cent in their wages which up to the present has not been restored, and whose working conditions were changed so that one man now runs an electric car which two men ran some years ago. That means a further reduction for them. In addition they have to take one day off every two weeks, which means a still further reduction. I have sympathy with these people as well as with the civil service, and I wonder if there are not other members who feel the same way. I know the sympathy that some members have for the civil service, and how they plead for them at a time like this almost with tears in their eyes, but do not mind getting a summons out for a man who drives his neighbour to work in his automobile instead of letting him pay street car fare.

I wish to congratulate the government on making a move in the right direction. I firmly and honestly believe, after the statement made by the Minister of Finance to-night, that when this time comes around next year the salary cut will be completely restored and everybody will be happy. I hope that that will apply to other concerns in this city at the same time.

Mr. DUFF: We are delighted to have a comparison made between conditions in private enterprise in the city of Ottawa and in the civil service, but I do not see, Mr. Chairman, what it has to do with this bill. If my hon. friend from Carleton has any grievance against any member of this house or against any private individual in Ottawa I suggest that he go down Sparks street at nine o'clock to-morrow morning and get a crowd around him and fight it out there. This is not the place. We are not interested.

My views with regard to the civil service salary deduction are very well known. Unlike the hon. member for Carleton I have always opposed this ten per cent deduction. Although I live a thousand miles away from Ottawa and from my hon. friend's constituents, a number of whom I believe, are civil servants, I have always been against this deduction of ten per cent. I believed from the first that it was not in the best interests of the country to make this deduction. But of course I understand my hon. friend's position;

as a supporter of the government he must get up and try to express views in line with what his government and his party think.

I do not think for one moment that the country has gained at all by making this ten per cent deduction. I said two years ago, and again last year, that the very fact that the government was the first employer in this country to reduce wages by ten per cent would mean, and it has meant, that tens of millions of dollars would be taken out of the pockets of the workmen of this country. The result is that the whole country suffers.

The Minister of Railways asked the hon. member for Vancouver-Burrard whether it was not a fact that the wages of the lumbermen had been reduced in the last two or three years. The minister seems to forget that there is quite a difference between the wages paid by private concerns and those paid by the government. Let me say to the minister that every civil servant in this country has a contract with the government. The ordinary lumberman in the bush or the man employed by a private concern has no contract, but every civil servant has a contract when he accepts a position. Advertisements are issued, applications are asked for, claims are considered by the civil service commission or the government, and when a decision is arrived at, the man or woman has a contract. He or she has a contract just the same as I have. The people of this country promised to pay me $4,000 per year to represent them in this parliament. I have always contended that I am entitled to that $4,000 and that this government had no right to reduce my sessional indemnity to $3,600.

Mr. McINTOSH: Sue the government.

Mr. DUFF: They would not issue a fiat. Let me tell the minister that the civil servant is in an entirely different position from that of the man in the bush or the man working in a private enterprise. Civil servants, whether they be stenographers, elevator men, charwomen, lighthouse keepers or anything else, have a solemn contract with the government. The Prime Minister often speaks of the sanctity of contracts. I say to the Minister of Railways: Go and consult the Prime Minister and ask him where is the sanctity of contracts in this bill or in those of the last two years. Subsection (b) of section 2 defines a member of the public service as follows:

> "Member of the public service of Canada" means every officer, clerk and employee in any branch or portion of the public service of Canada, to whom any compensation is paid, either directly or indirectly, out of the revenue of His Majesty in respect of his government of Canada, other than the Governor General of Canada, the lieutenant governors of the several provinces of Canada, the members of the judiciary, and the members of the military, naval and air forces of Canada, and the Royal Canadian Mounted Police, and includes members of the Senate and House of Commons of Canada.

I should like to know if it is intended that the governor general, the lieutenant governors, the members of the judiciary and the members of the military, naval and air forces and the Royal Canadian Mounted Police are to receive their full salaries?

Mr. RHODES: I am sure we must all pay tribute to the consistency of the hon. member for Antigonsh-Guysborough throughout the years that we have had to consider such bills as the one now under consideration. He has left no doubt as to his attitude with respect to this and the measures of previous years. Whether or not we agree with him, we must give him credit for making his position so clear. It may be that when one enters the public service he has a contract, but I do not feel myself in a position to argue as to the legal position of that contract. I think the overriding question of the public need is the consideration which has governed. The people of the mother country have as keen an appreciation of the sanctity of contracts as any people on earth, and yet under precisely the same conditions, Great Britain reduced the salaries of some of her higher paid members of the judiciary by as much as twenty per cent, of her cabinet ministers by a like amount, of her school teachers by fifteen per cent and of the members in the other services by substantial percentages. Whether or not hon. gentlemen are in agreement with us, we have assumed it to be in the public interest to make this deduction in order to meet an emergent situation.

With respect to the specific question asked by my hon. friend, I may say that ever since the first salary deduction act the Governor General has voluntarily sent his cheque regularly for ten per cent of the full amount of his salary. The members of the judiciary and of the naval and, military forces are not touched by this bill, but there is another bill touching their salaries which will bring about a similar result. This bill makes a straight salary deduction, but a companion bill which will follow contains a provision for a special income tax to amount to ten per cent of the salaries of these individuals. It will be in terms similar to the bill of last year, and it will cover all those in the list except the

lieutenant governors. For reasons which I need not at this moment discuss at length, it was felt that as representatives of His Majesty they should not be placed in the same position as those who had been cut.

Mr. BROWN: I have a matter which I should like to bring to the attention of the government. This may not be the proper time to do it and, if not, I should be glad to be informed as to when would be the proper time. In some parts of the country there are government institutions such as experimental farms. Those employed on these farms are paid by the dominion government. In some cases they live in houses which are the property of the government and that property does not pay any tax. This imposes a very heavy burden upon the school systems. The matter was brought to my attention a month or so ago when it was pointed out that a large number of employees of the government in a certain place were living on government property. In that same place a large number of children were attending the public school, imposing a heavy burden upon the people of that community, many of them very poor, yet having to pay taxes out of their very small incomes to support the schools at which the children of government employees were receiving education, without cost to themselves or the government. If it is at all possible I suggest that in all such cases the government should see that a school tax in some form be paid so as to ease the burden of taxpayers in such communities. That is the situation that prevails in some of the provinces, although I am told to-night that there are some provinces in which an arrangement is made for the payment of some special tax. I suggest that in all cases where employees of the government live on property on which no taxes are paid and enjoy the benefit of schools the government should impose an obligation on those receiving remuneration to contribute to the school tax.

Mr. RHODES: I do not take exception in the main to the attitude of my hon. friend, but I must point out to him that he raises at once the larger question as to how far crown property ought to be exempt from taxation. I do not suppose it would do much good to enter into a discussion of that phase of the matter; that is a recognized principle and we need not go into the reasons for it. But where there are employees living on crown property under such conditions as the hon. member has depicted, the right to live in those houses forms a portion of the compensation, and the amount of cash which the employee receives is diminished to the extent of the allowance made for his so living. In the main that compensation is fixed by the civil service commission for various classes of the public service living on government property throughout the country.

Mr. VENIOT: That would not exempt the individual living in the house.

Mr. RHODES: As my hon. friend rightly says, there is no good reason why such a person whose children enjoy the privileges of the public school should not be called upon to pay his share of the school rates the same as other people living in the community. Whether there is any governmental action which can be taken or is required in the circumstances, I am not in a position at the moment to say, because so far as I am concerned the matter has never been raised before. But from the point of view of the community, in equity and in simple justice such an employee ought to pay his fair share of the school rates.

Mr. CHEVRIER: I accept very gladly the explanation which the Minister of Finance has made with reference to the various staffs of the house. The information which I received may have been right at the time, but a different construction has been placed upon it, and I congratulate the minister on this extension of generosity. I never took the words of the hon. gentleman to mean any lecture to me this afternoon; he would have had to speak in a very much different tone to lead me to believe that he was trying to lecture me. I like his cold steel; he is a gallant foe; I have had many a tiff with him, but I have managed to come out without being either too much scared or too much scarred.

The hon. member for Lisgar has stated the situation from his point of view, but I would say to him and particularly to the hon. member for Moose Jaw—and this applies to a slight degree to the Minister of Finance: O consistency, what crimes have been committed in thy name! It happens that in the constituency of Lisgar there are a certain number of rural postmasters and therefore there is a duty incumbent, and properly so, on the distinguished member for Lisgar, to look after their particular interests. It happens that in the city of Ottawa there is but one postmaster, but there are hundreds of letter carriers. Well, why should not what is good for the rural postmasters be also good for the city letter carriers? It happens that in Ottawa there are twenty or twenty-five per cent of the classified civil servants of the dominion.

If instead of having that percentage of civil servants in Ottawa we had so many farmers or brickmakers or textile workers or manufacturers, then I doubt very much that as many hon. members of this house who are prone to hit upon this city and upon the civil servants would take the same attitude. Why not be consistent, therefore? This city has a population of 136,000 and of that number there may be 10,000 employed in some line of industry, be it match making or soap making or forging or in the civil service or as grocers, and if these particular interests are not in conflict with the general interest, then surely there is a duty incumbent on those whose honour and privilege it is to represent these people in this house to see that their particular interests are properly safeguarded, provided that the general interest of others is not jeopardized. That is the stand I have consistently taken.

The hon. member for Moose Jaw said that the city of Ottawa does not know anything about depression. Well, I am not here to say unpleasant things about the city of Ottawa or of any other city. I am not here to expose the evils or those charitable cases that are being looked after. This is not the time and place, and it is not my particular duty to do so in this house. But I would point out that in Ottawa there has been a tremendous amount of direct relief expended through the government, by private parties, by social and religious organizations, and voluntarily by the civil servants to a considerable proportion of their salaries, though they have been cut ten per cent. True, it is not quite as apparent around Ottawa that there is as much depression or as much hardship as one might see elsewhere, but let me say that though the wound may be concealed it does not mean that it is not as painful as one that is exposed, and very often there is much more bitterness added in trying to conceal it than to show it.

The hon. member for Moose Jaw also said that so long as the western people suffered, he did not want the cut to be restored. Well, I have more consideration for the western farmer and more sympathy for the business people of the rest of the dominion than some members have for a certain portion of the community. I deplore their misery; I deplore the misery of the farmer, of the industrial wage earner, but I ask: How much has the $8,700,000 that was taken away from the civil servants helped those poor people, and also how much has the $2,500,000 from Ottawa helped to alleviate their suffering? I am sure it must have mitigated it to a certain extent if one considers how some hon. members desire that the cut be not returned. I think I have some reason to say for the city of Ottawa: Hands off the civil service.

The Minister of Finance this afternoon said that if we transfer the $8,700,000 from the pockets of the taxpayer, that is simply a matter of bookkeeping. I pointed out before in that connection that the government was able to collect $8,000,000 or $9,000,000 by simply moving the decimal point in the books and that it did not cost one-hundredth of one per cent to collect that amount. There never before has been any collection agency, any bond selling or issuing of a loan for the government that has cost it so little. It is quite proper for hon. members to take this attitude if they think it is going to benefit themselves, but let me put the matter in this way: If the civil service not only of Ottawa but of Canada as a whole is to be taxed in that manner to the extent of ten per cent and if that sum of $8,700,000 is applied on the public debt or to help to balance the budget, then why in the name of goodness and of justice did the large industrial corporations when they made the deductions they did from the wages of their employees, not take that money to the Minister of Finance and say: Here is our fair share; just as the civil service have paid their portion into your hands, so we pay ours that you may be helped in solving your financial difficulties, in balancing the budget and in alleviating the suffering that exists? But they did not do that, and the minister knows well that none of all the wage deductions that have been made by private enterprise has found its way into the coffers of the state to help relieve his financial troubles. But if that course had been followed; if the money taken from those whose salaries were cut had been paid into the coffers of the state, then of course the civil servants of Canada would feel somewhat relieved in knowing that they were not the only ones that were being mulct to this extent.

The Minister of Finance said lastly that the wages and salaries of the civil servants must come out of the pockets of the taxpayer, but one would think the civil servant simply drew his salary and did no work—

Mr. RHODES: Oh, no.

Mr. CHEVRIER: I know the minister does not mean that; it is absolutely inconsistent with the words of eulogy which he uttered, and quite properly, with respect to the civil service this afternoon, which he knows they deserve. That is what the minister says, but

others who are not in his position, and who do not understand the situation as he does, put a different construction on the matter, and it is not fair. When the civil service of Canada works, it works for the benefit of the state. Civil servants are servants of the state; they serve not only Ottawa but the whole of Canada when they earn their wages, and there ought to be a feeling of pride on the part of everyone, whether from the eastern or the western provinces, or from the north or the south, to know that while goverments come and governments go, while one ministry falls and another takes its place, the civil service of Canada carries on its work just the same. The backbone of the Canadian public service to-day is the presence in it of men of long years of experience, men who have served loyally under Grit and Tory, Liberal and Conservative administrations. Therefore these people are entitled, for the sole reason that they have served the state loyally, to be so treated any time a question concerning them is brought up.

Having said that much, I have only one question to ask the minister so that he may reply when he speaks again. He said that some 18,000 would be affected. Some days ago I placed a question on the order paper, but it was turned, and quite properly, into a return. I do not know that I shall get the answer in time, and I should like to ask whether the minister can inform me as to the units that go to make the total. I should like to know how the 18,000 are made up, and what amount will be paid to each.

Mr. RHODES: May I at once say to the senior member for Ottawa that I do not take exception to his attitude on this question; on the contrary I commend him for championing as a representative of Ottawa the cause of a large number of those who are his constituents. He is doing only the right and proper thing as a representative who has in mind the interests of those who sent him to parliament. But I do object very seriously to his placing in my mouth words which I never uttered, and drawing therefrom inferences which cannot properly be drawn from the words which I did use. When I said that the civil servants are paid out of the pockets of the taxpayers of Canada I did not for one moment raise the question of the propriety of that being so; on the contrary, I am the first to concede to my hon. friend that I know many, many in the civil service who, even if they had their full salary restored, would still be earning more than they were receiving. There are many in the service who are underpaid even at their full salary. At the same time there are some civil servants who would be overpaid if they got $100 a year; they are, however, in the great minority. For the civil service at large I have nothing but the greatest admiration, and I admit at once that by and large they earn their salaries. If my hon. friend were fair—I am not suggesting for a moment he intended to be unfair, but he was—he would have acknowledged that I did not use the argument in the connection he suggested. The hon. member for Kindersley had said that if we restored the salaries it would have increased the purchasing power of the civil servants by $7,800,000 a year. What I said was that the civil servants were paid out of the pockets of the taxpayers and that all the restoration of salary would do, so far as purchasing power was concerned, would be to transfer it from the taxpayer, whose purchasing power would be that much less, to the civil servant, whose purchasing power would be that much more, and that at the end we would be no further ahead than when we started. That was what I had in mind when I made the remark that the civil servants were paid out of the pockets of the taxpayers.

With respect to my hon. friend's direct question, the officials of the department tell me that to make an exact allocation of the number affected in the city of Ottawa would take a very long time, because it means the conning of some sixty thousand names. The best estimate I can secure from those most versed in civil service affairs in Ottawa is that it will affect somewhere between fifteen hundred and two thousand individuals in Ottawa.

Mr. CHEVRIER: Could some proportion be given as between classified positions and unclassified?

Mr. RHODES: That is of the total eighteen thousand?

Mr. CHEVRIER: No, of the number in Ottawa.

Mr. RHODES: I am advised that it is impossible to give the information unless the method I suggested a moment ago were followed. But I am advised that of the total number of employees in the public service comprised in this number, some thirty-three thousand, more than half, are in the classified service. While of course it would be impossible to apply that same proportion to those who are under the $1,000 rate, because

the chances are that the greater number would be in the class above $1,000, my hon. friend, whose knowledge of the civil service is probably more intimate than that of most persons outside of the civil service itself, will be able perhaps to make some rough deduction until such time as we can get a more accurate figure.

Mr. MacINNIS: I wish to thank the minister for the assurance he gave a few minutes ago that those civil servants who are not getting over $1,000 a year, regardless of whether or not they are full time employees, will not be subject to the deduction. That will be a welcome assurance to many civil servants.

The hon. member for Lisgar said that the purpose of industry is not the payment of wages. But he stopped there and did not tell us what the purpose of industry is, so we are no wiser than before. In my opinion the purpose of industry is to produce the things that the community needs, and the things so produced are distributed in part through the payment of wages. I know very well that the owners of industry regret every cent they have to pay in wages, but I also know, whether they do or not, that if they did not pay any wages at all their condition would be much worse even than it is now. There is no possible way of keeping industry going unless we provide the means of distributing the product. It is being distributed to-day largely through salaries and wages. What has happened is that our ability to produce has increased and is increasing every day, and as it increases we are reducing our ability to distribute the product. Because of that the economic condition of the people becomes more and more the concern of government. We have noticed that in the last few years, in the extent to which the government has had to take steps to relieve the effects of the inability of industry to distribute its own product. If wages were reduced still more the position of the farmer would be worse, because he would be still less able to sell what he produces. Therefore I say it is of real concern to the government to see that the means of distribution of goods and services produced in the country are maintained. For that reason the government should make provision that those in its own service shall be adequately recompensed, so as to help relieve the depression in industry. We find that in the United States the depression was raised only when they took steps to raise wages. In Great Britain they had to do the same thing, and I am quite satisfied that we in this country will have also to do it.

Hon. members talk about the poor taxpayer. The fact is that taxation will have to be used as a means of further equalizing the present inequitable distribution of goods. It is being so used in Great Britain, where the greater portion of the larger incomes is taken in order to distribute better the products of industry. The hon. member for Lisgar will have to revise his economics before he finds a solution of the problem confronting the people to-day, the problem of misery and want in the midst of the greatest abundance that the world has ever seen.

Mr. VALLANCE: I would like to follow the question asked by the hon. member for Lisgar as to the position of revenue postmasters. As far back as April 16, an order of the house was passed for a return showing:

(1) A list of post offices having revenue of $1,500 to $10,000 (on which salaries are determined), showing revenue for each of the years 1931-32, 1932-33 and 1933-34; (2) casual or automatic pay cuts suffered by each of the postmasters in these offices for each year (exclusive of the 10 per cent deduction).

The return has not yet come down. I asked for it in order to be in a position to ask the minister some questions regarding the effect of this cut on revenue postmasters. When the ten per cent deduction bill came up the first year I drew to the attention of the minister the position of these revenue postmasters. Some of them have suffered as much as a thirty-five per cent cut by reason of shrinkage of revenue of the post offices. Those in the large post offices such as Ottawa are subject only to the ten per cent cut, and I suppose the revenue in the post office at Ottawa is proportionate to that of any other urban post office. There are I suppose large numbers of revenue postmasters who will be relieved of the ten per cent deduction if the income resulting from the revenue of the office is $1,000 or less; but there are many post offices showing an income of over $1,000 without allowing any deduction for the cost of help. Postmasters in this class are not receiving the consideration that many of us feel they should. I would like the minister to give them further consideration, because while many have an apparent income of $1,500 or $2,000 they are not in fact getting $1,000, yet are still subject to the ten per cent deduction. It seems to me that the government and the minister should give this type of civil servant a little further consideration.

Mr. RHODES: In reply to the hon. member who has just taken his seat may I say that there may be instances where individual postmasters have had their receipts reduced as much as thirty-five per cent. I take it that my hon. friend is referring to the diminution of business in post offices. May I point out to him that so far as the aggregate of postmasters is concerned, nothing like that percentage is shown. The commissions of revenue postmasters in the fiscal year 1930-31 amounted to $6,664,651.

Mr. VENIOT: From salaries?

Mr. RHODES: These are commissions.

Mr. VALLANCE: How many offices?

Mr. VENIOT: What is the figure for the previous year?

Mr. RHODES: I have not that figure before me. The corresponding figure for the twelve months ending September 30, 1933—

Mr. VENIOT: Why not give the fiscal year?

Mr. RHODES: Because we have not that figure. The amount for the year ending September 30, 1933, is $6,542,170. As between those two periods there is a shrinkage in commissions to revenue postmasters of only two per cent. There are 12,000 revenue postmasters in the whole of Canada, and this salary deduction bill will restore the full salary to 10,000 of the 12,000.

Mr. VENIOT: The minister is mistaken; there are not 12,000 revenue postmasters in Canada.

Mr. RHODES: That is the information I have.

Mr. VENIOT: There are not that many on commission.

Mr. RHODES: I have the information—

Mr. VENIOT: I don't care what information the minister has; he has the wrong information. I make that statement, and I know what I am talking about. If the minister says there are 12,000 commission postmasters in Canada, he has the wrong information.

Mr. RHODES: Well, Mr. Chairman, I have that information, and I got it from the Post Office Department.

Mr. VENIOT: I have the whole thing right here in front of me. There is a mistake somewhere.

[Mr. Vallance.]

Mr. RHODES: Since we cannot settle the matter upon the basis of "you're another" as between the hon. member for Gloucester and myself—

Mr. VENIOT: Better let it stand.

Mr. RHODES: I can say only this, that until such time as I can have the figure rechecked I must accept the figures which are given to me and which I am assured are accurate. Up to the moment that is the best I can say. Then, to conclude what I was saying, the salary, compensation or whatever you wish to call it would be restored in full to 10,000 out of the 12,000, assuming for the sake of argument, so as to appease the hon. member for Gloucester, that the figures given to me are correct.

Mr. VENIOT: Not at all. I am right and you are wrong, that is all.

Mr. RHODES: At all events it is fair to assume that five-sixths of the postmasters will have their complete compensation restored as a result of this bill.

Mr. CHEVRIER: Why not do the same with other classes?

Mr. VALLANCE: On what I am about to say I am not going to condemn the government. My remarks will bear on the salaries the postmasters are now receiving. I hope the ex-Postmaster General will contradict me if I am wrong.

Mr. VENIOT: I will do that all right.

Mr. VALLANCE: For some considerable time postmasters, whether they be revenue or otherwise, have lost a certain percentage of revenue because of the fact that parcels are to-day going through post offices insured without the payment of any fee for that insurance. Although the Postmaster General is not in his seat I believe I am correct in that statement. At certain periods of the year the fees for insurance had brought considerable revenue to the revenue post offices which, under present circumstances, has been cut off. Probably that action was taken to meet the competition of express companies—I do not know. The fact remains that a source of revenue has been taken away from the revenue postmasters.

Mr. VENIOT: You are right.

Mr. VALLANCE: In view of that fact, and in view of the general reduction in business going through the post offices, I again urge that the minister if at all possible give further consideration to this type of civil servant, because I believe in this connection

an injustice is being done. Many postmasters to-day are unable to carry on. I do not have to enlarge upon the point, because the minister knows the facts as well as I do. He knows how their wages or salaries are arrived at, taking rent and other matters into consideration. The rent is determined by the revenue going through the post office. Because of the fact that the revenue is diminishing the rent diminishes with it. In many instances cuts as high as thirty-five per cent have been suffered. That cut it not in revenue alone but in salaries. It seems to me that if the minister can he should give them some further consideration.

Mr. RHODES: Without calling in question the merit of the plea just made by the hon. member for South Battleford, he must bear in mind that the fixing of postmasters' salaries is not within my province, nor, I am sorry to say, am I in a position to give complete information upon the point in question. I am not trying to avoid any responsibility, but the hon. member will appreciate that the information should be sought from and the plea made to my colleague, the Postmaster General. I shall direct his attention to the points raised by the hon. member. For the moment, however, I am not in a position to give him the information he desires.

Mr. VENIOT: In order to have a correct understanding between the Minister of Finance and myself I wish to state that there are 12,133 post offices in the whole of Canada. I was talking about commission offices, revenue offices paying postmasters on commission, and the Minister of Finance told us, as I understood him, that there were 12,000. There is no such thing.

An hon. MEMBER: How many are there?

Mr. VENIOT: It is hard to tell how many there are. The number is about 9,000, I think.

Mr. RHODES: If I may repeat, we cannot get any farther ahead at the moment. I assure the hon. member and the committee that I am giving only such information as has been furnished to me by the Post Office Department. However, in the light of what the hon. member for Gloucester has said I will check up with the department.

Mr. VENIOT: The minister may be confounding commission and revenue offices. I am speaking of offices affected under this bill, the remunerations of which are based on commissions. There are not 12,000 of them in Canada. That is the statement I make and stand by.

Mr. REID: I was particularly pleased this afternoon to hear the Minister of Finance say that he was a believer in high wages and high prices and that the countries in which high wages and high prices exist were the countries which gave the most comforts to ordinary citizens. I heartily concur in that statement. I was pleased also to hear that ten per cent was not to be taken off those receiving less than $1,000. My own view and wish of course would have been to see the ten per cent restored on salaries under $2,000. However, the minister has pointed out that in his opinion and in the opinion of the government conditions do not warrant such a change. While I am and always have been an advocate of high wages, and have persistently fought for high wages throughout my life, I believe this would be the proper time to view the great spread between the salaries received by a certain class of civil servants and other classes. We have a class of civil servants in this dominion under the heading of deputy ministers to whom we are paying in salaries a total of $275,000 a year, and I never hear anyone in this house protesting against the great spread between the $9,000 a year received by some of these deputy ministers and the $3,500 a year received by other civil servants who are just as capable. There are thirty men rated here at cost of over $275,000 a year, and in addition the country is contributing a certain amount of their superannuation. Very many of these men will be retired on a higher superannuation allowance than most men can earn in a whole year. Some of them receive an annual superannuation allowance of $6,000. I say that without fear of contradiction. If there was any possibility of the lower grade civil servants ever working up to a salary of $9,000, I for one would never raise my voice in protest, but when one considers that these $9,000 positions are just political appointments calling for men of no greater calibre than many heads of branches who are receiving only $3,600, although just as capable, I cannot help but express my feeling that it is time we reviewed this salary question very carefully. If we are ever going to put our house in order now is the time to do it. Let me repeat, in order that I shall not be misunderstood, that I am not against paying high wages or paying what a man is worth, but there is too wide a gap between a certain class of civil servants occupying high positions and that other large group which unless something is done can never be jumped and never will be, because in the majority of cases the higher offices to which I refer are just straight political appointments.

There is another point. I understand that an order in council was passed some time ago by the government that civil servants of the age of sixty-five years or over should be discharged or superannuated. If I am wrong I hope the minister will correct me. Some time ago I put a question on the order paper regarding this order in council, and a return was brought down to the house which makes interesting reading. What makes me rise on this occasion is what I consider an injustice in connection with an order of this kind. I am not at this time entering into the merits or demerits of the question whether a man of sixty-five or over should or should not be dismissed, but I do take the ground that once an order of that kind has been made there should be no favorites played. Many men who are sixty-five and over have retained their positions due to a certain amount of pull, while others who have not that pull have been dismissed and I feel that it is my duty to protest. I may be wrong in my impression about the order in council to which I refer. The return tabled in the house on April 9 shows the total number of civil servants discharged and superannuated under that order in council applying to employees sixty-five years and over. This was my question:

1. What was the total number of civil servants and government employees discharged and superannuated under the ruling regarding all employees 65 years and over?
2. What were the numbers discharged and superannuated respectively, in each department of the public service since the order came into effect?
3. How many persons 65 years of age or over, are still in the employ of the government?
4. What are the names of the said persons, and in what respective departments of the public service are they engaged?

The return that was brought down in reply gives a table showing in the first column the number superannuated or retired, in the second column the number discharged, and in the third column the number still engaged. I find that 506 were superannuated or retired and 58 discharged, and that 1,020 are still engaged. In looking over the names I find that men have been retained who do not occupy a key position. My complaint is not that they are retained, but that the order in council is not applied impartially, that one man with a little pull is retained and a man without pull let go. I could cite instances of men who have been retained in the public service because of a little influence they had, while immigration inspectors, customs and excise officers, clerks, cooks, charwomen, blacksmiths, and so forth right through the list have been let go. I know captains of dredges who have been let out in my district because they have reached the age of sixty-five, while I find others have been retained. I would like the minister to explain why this order in council has been carried out in the way it has.

Mr. RHODES: My hon. friend from New Westminster is probably aware of the fact that it has been the law for many years that it is competent upon the recommendation of a minister of the crown for the government to retire any employee who arrives at the age of sixty-five, and no special or general order in council is required for that purpose. The order in council to which my hon. friend refers had reference only to those civil servants who were sixty-five years or over and whose services could be dispensed with, and whose places it would not be necessary to fill. It was solely from the viewpoint of economy and efficiency in the public service that that order in council was passed. In each instance the individual retired received a retiring gratuity. In fact, in the view of the auditor general, who made official complaint in the matter, the government was over generous and exceeded its power in giving a larger gratuity than he thought the law warranted.

I cannot speak for all departments of the government; I can only speak for my own. Although it is not a pleasant duty to be associated with a policy which calls for the retirement, even with a gratuity, of those who have reached the age of sixty-five, it is difficult for one administering a department, having in mind his duty to the state, to justify continuing in the public service and paying full salary to one who is doing work that can be done by others in the department without adding to their numbers and without burdening unduly those who remain in the service. I would welcome from my hon. friend the slightest evidence that so far as my department is concerned there was any kind of pull whatever in the matter. I accepted without question the advice I received from responsible officers of my department in whom I had and still have the fullest confidence. I am not suggesting for one moment that there may not be individual cases where pull may have been exercised. We are all human. We know the atmosphere which surrounds the public service and which it is difficult to eradicate, but I would venture the belief that in the main, in the great majority of cases, the retirements were made in conformity with the idea which was in mind at the time the order in council was passed.

My hon. friend has referred to the fact that a number of others have been retained in the public service who are over sixty-five years of age. Certainly. We did not desire that any man who was performing a useful public service should be retired because he was sixty-five, and that was specifically provided for. The order in council had reference only to those whose positions did not require to be filled, in other words, those who were surplus in the department. Nor did it apply to those sixty-five years of age who were occupying administrative posts which they could properly fill. I have in mind members of the public service over seventy years of age who had to be retained by special votes in the estimates, but they are men who are singularly young for their years, who have acquired wide knowledge in the service and are of singular use to the public service, and it was believed that it was in the public interest that their services should be retained. I hope I have covered the ground that I should cover in answering to the best of my ability the question of the hon. member for New Westminster.

Mr. REID: The minister has covered it but, to be candid, I am not exactly satisfied with the reply. I realize that there are some men in key positions who in the interests of the public service should be retained, but in looking through this list I find that some of those who were let out were just as competent as those who were retained.

Mr. RHODES: My hon. friend has put a wrong meaning upon my language. I would not want it to go abroad that the people who were retired were incompetent. The reason they were let out is because there was no work for them to do. In many cases these changes are made through no fault of the individual; there may be a change in the character of the public service. I do not wish for one moment to reflect upon any of these individuals.

Mr. MITCHELL: I think retirement at sixty-five years of age should be automatic.

Mr. VALLANCE: It is not, and that is the trouble.

Mr. MITCHELL: I think it is a sound rule. I have had some experience in municipal work where men can look forward to retirement on pension at the age of sixty-five years. I do not think any man is indispensable. The earth would continue to spin round on its axis if a bomb were dropped on this House of Commons and we were all finished off. Under the law of averages, when a man reaches the age of sixty-five years he begins to slow up. I know there are exceptions to the rule, but to circumvent a rule and prevent the younger men from coming along is unfair and unsound. When a rule like that is adopted it should be enforced without fear or favour.

Section agreed to.

On section 3—Ten per cent deduction.

Mr. NEILL: I suppose I would be out of order in moving to raise the minimum above $1,000, but I would ask the minister if he will not consider suggestions in that regard.

Mr. RHODES: I think my hon. friend is quite right; it would not be competent for him to move an amendment which would have the effect of increasing the charge upon the public revenue. I say in all seriousness that I know of no other matter to which I have given more consideration, having regard to the demands upon the time of a public man. If I had consulted my personal wishes I would have liked to restore all the salaries and have no salary deduction act. But I had to measure the situation in the light of our needs. It may surprise my hon. friend to know that the moment you go above $1,000 you soon run into those who receive the major portion of the salaries paid in the public service. A jump of $100 or $200 runs you into millions. We felt that in the light of the revenues the maximum to which we could go this year was $1,000. For the reasons I have indicated, no further consideration could be given to this matter.

Mr. NEILL: There is one point which I do not think has been presented to the minister. Accepting the position he has stated, would he allow an exemption instead of a minimum of $1,000? A man earning $1,200 is now subject to a deduction of $120, but with an exemption of $1,000 he would pay only ten per cent on the $200 over the $1,000.

Mr. RHODES: My hon. friend overlooks the fact that in the case of those who receive $1,200 and under, the government pays the contributions to the superannuation fund, hence the deduction is only five per cent. In connection with the borderline cases we have provided that in no instance shall a man receive less than $1,000 per year.

Mr. NEILL: I wonder if the minister would consider the point raised this afternoon in connection with board and allowances and insert the words "in cash" after the words "one thousand dollars"? I refer to the seamen who receive $65 per month but who undergo a deduction of ten per cent on the alleged cost of

their board. Of course this board does cost the government something, but an arbitrary value is placed upon it and a deduction of ten per cent made. The deduction comes off the $65 received. These men have homes to keep up, and after this deduction is made and they pay the necessary expenses for clothes and other things, it leaves very little for their families. I know the minister has power under section 6 to make arrangements of this kind, and I should like to know if he will consider this matter.

Mr. RHODES: In the application of this act, as in the application of any act of a general character, there are bound to be instances of hardship.

Mr. NEILL: That is what you are taking the power for.

Mr. RHODES: You cannot escape these individual cases. However, I cannot accede to the suggestion of the hon. member for Comox-Alberni. The amount of cash which such a man receives has been adjusted in the light of the value to him of the allowance he may receive, whether it is living quarters, food, rent or a dozen and one other things. These are classed as compensation and his salary must be judged not in the light of the amount of cash he receives but in the light of the amount of his total compensation, either in cash or in kind.

Mr. NEILL: But this is not based upon the value to the man, it is based upon the cost to the government. The government may set a figure of $30 as the value of his board, but if he were living at home with his family he could live much cheaper than that. If this man were living at home it would be quite different, but he must maintain his wife and family out of his wages, and I ask the minister how he can do that when this deduction is made from the $65 he receives.

Mr. RHODES: It is beside the point whether or not a man can maintain a home on $65 per month or any other sum.

Mr. NEILL: It is very much to the point.

Mr. RHODES: That is not the point, although for the sake of argument we will assume that he cannot. I am not going to give the obvious answer, that he is not compelled to work for the government and need not accept that rate of compensation if he does not wish to do so. So far as this bill is concerned all we are dealing with is the question: Shall there or shall there not be a deduction of ten per cent? The broad question of whether or not an individual is being adequately compensated is not one which can be properly raised here. The objection raised by my hon. friend may be well taken, but it has no reference to the question of the 10 per cent deduction.

Mr. NEILL: Would the minister think over the point I raised this afternoon of reconsidering his decision six months from the beginning of the fiscal year should the revenues in the future justify it?

Mr. RHODES: It would be difficult to provide against such a contingency in view of the fact that our whole set-up, so far as current account is concerned, has been made up for the year on the assumption that this deduction will take effect during the fiscal year. In these circumstances the government would leave itself open to every conceivable kind of pressure and criticism if it did or did not act at a given time with respect to the restoration of the balance. This does not apply to my hon. friend, but in view of the criticism which we have received ad lib from hon. gentlemen opposite with respect to the blank cheque, and considering the objection they attach thereto, I am rather surprised at the suggestion that there should be such a power as that placed in the hands of the government.

Mr. NEILL: But this would be specified in the act, that in six months' time action shall be taken if the increasing revenues justify it. I do think the minister's argument rather weak when he says that the set-up of the finances is based on the assumption he states and therefore he cannot depart from it. The set-up of the finances in the last several years past has totally failed to come up to his estimate and nothing in particular has happened. Cheerfully and hopefully he anticipates, as he says in the budget, that the returns in the ensuing months will run higher than he has calculated either in the past or in his set-up, and I have no doubt that he will cheerfully accept the increased revenue in the months to come if it eventuates. Well, surely he can anticipate action on such increased revenue. He will not repudiate the increased revenues as they come in, and therefore I do not see why he should not consider the suggestion. With all deference to the minister, I submit that the argument as to his being unable to depart from an arranged set-up is rather weak.

Mr. RHODES: If it is any comfort to my hon. friend I am quite prepared to concede that my argument is weak, but I do not agree

with his that the matter is not being considered, for I have given it a great deal of consideration. Because I cannot accede to the suggestion he makes, it by no means follows that the matter is not being considered.

Sir EUGENE FISET: In section 3, subsection 1, there are two provisos. The first is:

That no provision of this act shall operate to reduce the compensation of any member of the public service of Canada below $1,000 per annum.

That appears to be absolutely specific, but the second proviso, I frankly confess, I do not exactly understand; I do not understand the purpose of it. The first proviso seems to deal with the matter absolutely and entirely, but the second provision is extremely vague and I should be glad if the minister would explain it.

Mr. RHODES: The first provision is intended to deal with the borderline cases and the second one is the general exemption. Whether these provisos are happily worded or not, I think that they are very clear in their intention. I do not assume responsibility for the verbiage; the responsibility belongs to the Department of Justice. I may say, however, that the idea was to make it clear beyond peradventure that the full salary up to $1,000 should be paid in all instances.

Sir EUGENE FISET: That is rather vague. There is another provision, which is that the money may be paid out of any unappropriated moneys in the consolidated revenue fund. Does the minister think it is advisable that such a provision dealing with civil service appropriations should be placed in the body of the bill? This house has not voted the civil list for any department. That civil list contains first of all salaries, and secondly contingencies, and it seems to me it could easily be provided that the money that may be needed should be voted by parliament instead of being paid out of the consolidated revenue fund. Inasmuch as each department will have to deal with any adjustment that may have to be made in the salary of any one of the civil servants that may be affected, why not provide in the body of the act for the money to be paid out of departmental contingencies vote? The contingencies vote authorizes the payment of travelling expenses of civil servants. Surely therefore, if you amended this bill to provide that any adjustment required would be met out of the contingencies vote, you would avoid creating the precedent, which is now being established, of dealing with the matter out of the consolidated revenue.

Mr. RHODES: My hon. friend has had a very wide experience in the public service, but I would point out to him that there is nothing unusual in this provision. He may not have found it in a salary bill of this kind, but he will find it in numerous statutes passed by parliament. Now, the reason for this is twofold. In the first place, I must direct to the attention of the committee the fact that the estimates were prepared and printed on the basis of ninety per cent, and notwithstanding what my hon. friend has said, the civil government vote has been passed in a number of instances. In the second place, the contingency vote has been reduced in most departments. But even if it were at the old figure, it could not adequately take care of the ten per cent. But there is a further reason, and it is this. A number of cases will have to be dealt with by the treasury board under the provisions particularly of subsection (c) of section 6, and money must be provided to pay the compensation in these cases. You could not, unless you put in some omnibus lump sum in a general vote, which would not get you further ahead, be able to provide by specific vote for these particular cases; whereas this means that where you can pay it out of the consolidated revenue fund there will be no excess vote but only that amount required will be taken for the compensation provided for in the restoration of salary deduction in respect of those who receive up to $1,000.

Sir EUGENE FISET: I quite understand the minister, but I realized during my days in the service that one of the most sacred things was the consolidated revenue fund. I can remember that it was impossible to draw any money from that fund except by governor general's warrant when the house was not in session. I realize also, as the minister says, that especially in the last three or four years there has been a tendency for us to put our hands on this special vote, called the consolidated revenue fund, and to embody in numerous acts of parliament the powers granted under this act. This deals with civil service appropriations. I think it is creating rather an awkward precedent to authorize any money to be paid out of the consolidated revenue fund for such a purpose. I believe it would be proper to provide under a special vote, either in the supplementary estimates or in the contingencies, a lump sum to be administered departmentally or by the treasury board than to place those words as they stand in the legislation. Of course I may be wrong. I can quite well understand the Minister of Finance has his own reason, but

I think one of my colleagues has an amendment to offer and we can proceed with it.

Mr. RHODES: In reply to the hon. member for Rimouski, may I say that this bill is establishing a precedent which I hope parliament will never be called upon to follow in after years.

Sir EUGENE FISET: Why take such an extreme course?

Mr. RHODES: I have no doubt I can find numerous cases, but my mind comes at once to the provision which is on the statutes today in regard to old age pensions. If my memory serves me aright that is an elastic provision in precisely the same terms. There is no vote, no sum mentioned. The money may be taken out of the consolidated revenue fund and the amount may expand or contract, of course theoretically contract, because we will expect it to expand. Naturally this provision is in the bill for the reasons I have indicated, and it will not be necessary to deal with it again on account of our not being able to make an accurate estimate. In view of the circumstances and the precedent I cannot see any objection.

Mr. VENIOT: I fully agree with the stand taken by the hon. member for Rimouski. The case cited by the Minister of Finance of the old age pensions is an entirely different one.

Mr. RHODES: Why?

Mr. VENIOT: I will give the reasons. The general estimates as submitted to the house provide for a deduction of ten per cent or for ninety per cent of the former salary. This bill completely disorganizes those estimates; it provides that up to a certain salary the amount of ten per cent as deducted in the general estimates shall be returned. The proper way to deal with the matter would be to bring in a supplementary estimate to supplement, if I may use that term, the general estimates as they now stand. In that respect the case is entirely different from that cited to the committee by the Minister of Finance. My opinion is that sufficient information could be obtained so that there could be inserted in the supplementary estimates of each department the sum necessary to cover the restoration of this ten per cent deduction. Each department ought to be able to know within a measurable distance the exact figure that would be required. I can understand that the minister is quite right in saying that certain cases will have to be readjusted in some way or another, but those cannot amount to such a large sum as to warrant the minister in departing from the principle of obtaining the authority of parliament in voting money for public expenditures. In view of that I have an amendment that I wish to move, seconded by the hon. member for Rimouski:

That section 3 be amended by striking out the word "unappropriated" in line ten on page two and substituting the word "appropriated" therefor.

While I am on my feet might I ask the minister this question: Has he given any thought to the case of commission postmasters whose ten per cent deduction is made from the gross revenue of the office? Has he considered applying the ten per cent deduction to the actual salary the postmaster would receive after paying the expenses necessary for carrying on the office?

Mr. NEILL: The wording of the amendment does not make sense.

Mr. BENNETT: It certainly does not.

Mr. RHODES: I am sure the chairman would say that the amendment is out of order without my raising the point, even assuming that it made sense.

Mr. NEILL: It should read: "Of any moneys appropriated."

Mr. VENIOT: It means that the word "appropriated" is substituted for "unappropriated."

Mr. RHODES: All I can say is that if the money were appropriated, it would not be in the consolidated revenue fund. I do not want to split hairs with my hon. friend. I submit to him that he cannot differentiate in principle between the provision of this bill which says that the money required under the legislation shall be paid out of the consolidated revenue fund, and the old age pensions measure which he supported, which makes precisely the same provision.

Mr. VENIOT: Certainly I do.

Mr. RHODES: Why?

Mr. VENIOT: I have already given the reason.

The CHAIRMAN (Mr. MacDonald, Cape Breton): The difficulty, as I understand the matter, is this. The clause as amended would read:

There may be paid out of any appropriated moneys in the consolidated revenue fund—

Mr. VENIOT: Let me read the amendment again:

That section 3 be amended by striking out the word "unappropriated" in line ten on page two and substituting the word "appropriated" therefor.

Or substitute therefor the word "appropriated."

Sir EUGENE FISET: I do not wish to second such an amendment because I do not think it is what I intended. I would be willing if the hon. member for Gloucester would substitute for his amendment:

Out of moneys appropriated by parliament, such sums—

Instead of:

Out of any unappropriated moneys in the consolidated revenue fund, such sums—

Mr. VENIOT: That is what it means.

Mr. BENNETT: I wonder whether the committee might not think it desirable to leave this as it stands. It is the usual form adopted in all cases where an elastic sum has to be provided to meet a situation arising by reason of changed arrangements from the estimates as submitted. I will give another case, one in connection with the civil service commissioners and their retirement. They were to be paid out of the consolidated revenue fund such gratuity as was thought desirable. Wherever an amount has to be paid to supplement a fixed sum in the estimates and the exact amount cannot be ascertained, I think it is within the knowledge of the hon. member for Rimouski that this is the form which is used; that is the unnamed and undetermined amount which it is impossible at the moment to fix, is to be paid out of the consolidated revenue fund.

Sir EUGENE FISET: Would the Prime Minister allow one word? I am not exactly criticizing the method that has been adopted. I say it is too bad that a precedent of that kind should be created.

Mr. BENNETT: It is not a precedent.

Sir EUGENE FISET: Will the Prime Minister permit me? In this special measure providing for the deduction of ten per cent we are really dealing with civil government estimates. I was under the impression when I spoke that none of the civil service appropriations had been voted for any department. The minister tells me some have been voted. In the civil government appropriation there are two kinds of votes, one providing for the salary of the civil service for each department, and the other for contingencies. I think if the Prime Minister takes the trouble to read the bill he will find that the sum of money concerned will not be extraordinarily large. In my humble opinion it would be preferable if a special amount, call it contingencies if you like, were provided, either for each department so that they might deal with their own cases, or in a lump sum, and let the sum be voted by parliament. I do not criticize either the Minister of Finance or the government for taking the course they have; it is their responsibility, but I have put my views fairly and I think plainly.

Mr. GERSHAW: The question I intended to ask has been answered rather fully by the minister, but I wish to say just a word that might be of use in further consideration of the matter. I have before me a list of ten post offices, within each case the gross revenue for 1930, 1931, and 1932. A typical one is where the gross revenue in 1930 was $3,000 and is now $1,900. These men will not be benefited by this legislation, yet their expenses are the same as when the revenue was at the higher point. The responsibilities are the same—they handle large sums of money; they must in each case pay an assistant. I give these as typical examples of post offices all over the country; these postmasters are making a greater contribution on account of the way their salaries have been reduced.

Mr. RHODES: My hon. friend of course will appreciate that he is dealing with a class of public servant in receipt of a far higher salary than $1,000.

Mr. GERSHAW: Slightly higher.

Mr. RHODES: Well, they are beyond the limit, and we cannot possibly bring them in.

Mr. HEENAN: The Minister of Finance gave a very illuminating answer to the question I asked, but I am afraid his answer with respect to the principle adopted in connection with old age pensions is not so illuminating.

Mr. RHODES: My hon. friend should distinguish between the case of the appropriation and the old age pension.

Mr. HEENAN: I am going to try to distinguish, try to illuminate. Surely each minister can estimate the number of employees in his department that are going to have the ten per cent restored. Neither the minister nor anyone else can tell from month to month how many old age pensions will have to be provided for. He does not know but what another province might ask the government of Canada to permit them to enter into this agreement. Another thousand old age pensioners might come on the plan.

There is no other way I know of that they could be provided for except by what you might call a blanket order of this description. That cannot be said with respect to the number of employees to be affected under this measure.

Mr. RHODES: My hon. friend may have illuminated the situation, but I must be very dense for I have not seen a ray of the light. Certainly he has made no legal or constitutional argument that has any bearing on the point. In the case of the old age pension bill it would be easy to put a sum in the estimates of $20,000,000 or $25,000,000 or $50,000,000 if need be. That would be an appropriation by parliament. But there is not a single dollar mentioned. Now my hon. friend says, the departments can say how many will come under the provisions of this bill. I cannot say how many, but I can assure my hon. friend that there will be a very considerable number, some of whom will not be determined until towards the end of the year, the borderline cases. The best you could do would be to put a lump sum in the estimates which would mean little or nothing, specifically to provide for contingencies of the kind.

The hon. member for Rimouski said we can use the contingency account. I have pointed out that would not be sufficient. And if we enlarge it I do not see that we are much better off, except that there is a limit. If my hon. friend wants a limit that is another matter, though I do not see that it is called for, because it applies to those particularly referred to in the bill.

I see we are not going to make further progress to-night; we have reached the hour for adjournment, and therefore I move that the committee rise, report progress and ask leave to sit again.

Progress reported.

At eleven o'clock the house adjourned without question put, pursuant to standing order.

Monday, April 30, 1934

The house met at three o'clock.

PRIVATE BILLS

FIRST READINGS—SENATE BILLS

Bill No. 66, for the relief of Helen Isabelle Smith Maybee.—Mr. Bell (St. Antoine).

Bill No. 67, for the relief of Sybil Eileen Dyson Richardson.—Mr. Bell (St. Antoine).

[Mr. Heenan.]

QUESTIONS

(Questions answered orally are indicated by an asterisk).

SOLDIER SETTLERS

Mr. McINTOSH:

1. Have any soldier settlers been compelled to leave their farms during the past year, 1933-34, that is, since the passing of "An Act to amend The Soldier Settlement Act," assented to May 23, 1933?

2. If so, what was the number and their names, by provinces?

Mr. CAHAN:

1. No soldier settlers have been compelled to leave their farms as a result of action by the Soldier Settlement of Canada or the Department of Indian Affairs since the passing of "An Act to amend the Soldier Settlement Act" assented to May 23, 1933.

2. Answered by No. 1.

MOOSE JAW, SASK., RELIEF CAMP

Mr. VALLANCE:

1. What amounts have been charged by the Saskatchewan relief commission to the government for the operation of the camp for single unemployed and destitute men at Moose Jaw, Saskatchewan, from June 16, 1933, to March 31, 1934?

2. What are the terms of the contract between the Saskatchewan relief commission and the contractor in charge of the camp, one J. H. Timms, and covering the above periods?

3. What amounts have been expended by the contractor during this period for: (a) clothing; (b) food; (c) wages; (d) all other expenses of the operation of the camp?

4. What are the names of the employees of the contractor in the said camp and what wages are paid to each?

5. What is the average number of men housed in this camp per day since June 16, 1933?

Mr. GORDON:

The following telegram has been received from C. B. Daniel, General Manager of the Saskatchewan Relief Commission, in response to a request from the Department of Labour for the information called for by the above inquiry:

Re telegram April twenty Vallance questions one commission do not operate camp at Moose Jaw or any other place in province (stop) We furnish sustenance and shelter through caterer for physically unfit men and for physically fit men pending placement in federal camps or farm homes (stop) Dominions share of costs at Moose Jaw from June sixteenth nineteen thirty-three to March thirty-first nineteen thirty-four is nine thousand three hundred and twenty-nine dollars this being fifty per cent of forty cents per man day (stop) J. H. Timms is caterer at Moose Jaw two Timms furnishes three meals per day also beds laundry bath medicines towels heat light water

at forty cents per man day (stop) Salvation Army provides same services at Regina same terms also same arrangements other urban centres three we have no knowledge (stop) Satisfied caterers give full value province furnishes clothing four we have no knowledge five approximately two hundred per day note caterers at Regina and Saskatoon recently asked for higher rate per man day due to increased costs of foodstuffs.

PENITENTIARY RIOTS—COUNSEL ENGAGED

Mr. MITCHELL:

1. What counsel were employed to prosecute the offenders in the penitentiary riots at St. Vincent de Paul, Kingston, and Dorchester?
2. Were they appointed by the federal or provincial governments?
3. Who paid their expenses?
4. What was the total amount received by each counsel?

Mr. GUTHRIE:

1. St. Vincent de Paul—J. E. C. Bumbray, LL.B. in the preliminary proceedings, and in association with the local Crown Prosecutor at the trials.

Kingston—J. Keiller MacKay, LL.B., in preliminary proceedings, and certain of the trials. The local Crown Prosecutor at the remainder of the trials.

Dorchester—E. C. Weyman, in the preliminary proceedings, and in association with the local Crown Prosecutor at the trials.

2. Mr. Bumbray, Mr. MacKay and Mr. Weyman were appointed by the federal government, Mr. MacKay was appointed by the provincial government for certain of the trials.

3. The expenses of Mr. Bumbray, Mr. MacKay and Mr. Weyman were paid by the federal government, except such as were paid to Mr. MacKay by the province.

4. Paid by the dominion—J. E. C. Bumbray, LL.B., $4,956.09; J. Keiller MacKay, LL.B., $3,109.85; E. C. Weyman, $1,736. No information as to amounts paid by provinces.

CHIEF SUPERINTENDENT, POST OFFICE SERVICE

Mr. BOULANGER:

1. Who is the chief superintendent of the post office service?
2. When was he appointed to such position?
3. What is his salary?
4. Where was he born?
5. When did he enter the civil service?
6. How long was he in Canada before he was appointed to the civil service?
7. When was he permanently appointed?

Mr. SAUVE:

1. Underwood, Edward James.
2. 30th October, 1925.
3. $5,220.
4. Hanley, England.
5. 5th October, 1914.
6. No information.
7. 1st April, 1915.

DREDGE NO. 126

Mr. BRASSET:

1. Who is at present the watchman of the dredge of the Public Works department at Havre aux Maisons, Magdalen Islands?
2. What salary does he receive?
3. Are any persons other than the watchman receiving a salary or remuneration from the Public Works department in respect of such dredge?
4. If so, who are such persons and what salary or remuneration are they receiving?

Mr. STEWART (Leeds): A similar question to the one above was previously asked by the hon. member for Gaspe on February 2, 1934, and answered on February 5, 1934. (See Hansard of February 5, 1934, page 264). The answer is the same at the present time.

STE. ANNE DE BEAUPRE RELIEF WORK

Mr. CASGRAIN:

1. Have any complaints been made by unemployed men regarding certain unemployment relief undertakings carried out by the municipal council of St. Anne de Beaupre during the winter of 1933?
2. If so, what are the names of the unemployed who complained and what was the nature of their complaints?

Mr. GORDON:

1. Yes.

2. The names of the unemployed who complained are as follows: C. Cloutier, Alfred St. Hilaire, Freddy Racine, Elzear Leclerc, Gerard Gagnon, Omer Tetu, Maurice Tetu, Joseph Mercier. The complaint consisted of a petition from the above mentioned unemployed, who complained that they had been compelled to work on private property in return for the direct relief granted to them by the municipality.

ROYAL CANADIAN MOUNTED POLICE

Mr. GOULET:

1. What is the total number of men engaged in the Royal Canadian Mounted Police?
2. How many of these men are of French origin?
3. How many of such men are Canadian-born?

Mr. GUTHRIE: I am going to ask that this be passed as an order for a return, except as to the second question. We have no record as to which members of the mounted police are of French origin. We can tell, with respect to the third question, who are Canadian born, and that will be shown in the return.

Mr. SPEAKER: Question stands as order for return except as to the second question, which is dropped.

QUESTIONS PASSED AS ORDERS FOR RETURNS

ROYAL CANADIAN MOUNTED POLICE

Mr. GOULET:

1. What is the total number of men engaged in the Royal Canadian Mounted Police?
2. How many of such men are Canadian-born?

MERCHANT MARINE

Mr. HOWARD:

1. How many boats were originally purchased or built by the government for the government merchant marine?
2. What year was the first construction contract let?
3. When was the fleet numerically at full strength?
4. What was the total cost of the boats purchased and built?
5. How many boats does the government merchant marine still own?
6. How many were sold during each of the following years 1930, 1931, 1932, 1933?
7. What price did they bring?

MOTION FOR PAPERS

DEPARTMENT OF PENSIONS—INSTRUCTIONS

Mr. H. E. SPENCER (for Mr. Mitchell) moved:

For a copy of all instructions issued by and under the authority of the Minister of Pensions to the administrative officers of the Department of Pensions during the last twelve months.

Mr. BENNETT: It is understood, of course, that this motion will not cover the ordinary correspondence between administrative officers in the department; but any instructions that have to do with the administration of the Pension Act would be included.

Mr. SPEAKER: Carried with the exception noted.

CANADA-AUSTRALIA RADIO

On the orders of the day:

Mr. THOMAS REID (New Westminster): I would like to direct a question to the right hon. the Prime Minister with reference to the statement which appears in the press by the Hon. Archdale Parkhill that direct radio service between Canada and Australia is likely to be replaced by a United States service from United States stations, and that the Point Grey station is likely to lose that traffic. Has the Prime Minister any statement to make in that regard:

Right Hon. R. B. BENNETT (Prime Minister): The whole matter of radio communication between Australia and Canada was under consideration by the Postmaster General of Australia, the Postmaster General here and the technical officers of the departments that were in a position to speak with authority on the matter. I have no statement yet to make. The matter is largely one for technicians.

THE BUDGET

ANNUAL FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The house resumed, from Monday, April 23, consideration of the motion of the Minister of Finance that Mr. Speaker do now leave the chair for the house to resolve itself again into committee of ways and means, and the amendment thereto of Mr. Ralston.

Hon. H. H. STEVENS (Minister of Trade and Commerce): Mr. Speaker, first of all I should like to extend to the Minister of Finance (Mr. Rhodes) my congratulations upon the able manner in which he has discharged what is always a very difficult and onerous task. His was a clear and frank statement of the country's financial position without any attempt to minimize the difficulties or to evade the responsibilities inherent thereto. In his speech as the chief critic of the opposition, the hon. member for Shelburne-Yarmouth (Mr. Ralston) discharged his duty in a manner which was no doubt entirely satisfactory to those with whom he is associated and for whom he spoke. However, I do not think he will think it a discourtesy on my part if I refrain from following his lead in the form of my remarks. I assume the function of a critic is to criticize, and in that respect the hon. member undoubtedly discharged well his duty. I think on this occasion he excelled himself. But as I listened to his remarks it struck me that they were singularly lacking in any constructive feature. He most skilfully evaded all recognition of the very difficult circumstances in which this country in common with all other countries is placed or of the problems which face this country in common with others. This thought came to my mind: Can it be possible that the hon. gentleman and those with whom he is associated are unaware of the significant changes, both social and economic, which have come about in this and other countries during the past fifteen years? These changes are not merely due to the depression of the last three years; they have been reaching a degree of completion in recent years but they have been coming about for at least fifteen years.

The object of a budget is, first, to acquaint the country with the financial status of the country and, second, to survey affairs generally with regard to trade and other matters,

both internal and external. I have intimated already that in my opinion the Minister of Finance discharged his duty in a most admirable way. He was unbiased by his difficulties and courageously disclosed to the house the precise conditions. Of course, any minister that does that lays himself open to criticism here and there with regard to the details of his speech. But it was necessary that this be done and I think the minister has discharged his duty with credit to himself and to the house.

My purpose to-day is to invite consideration by the house of certain factors which vitally affect our trade and commerce, both internal and external, and which have resulted in a considerable rearrangement of modern business practices. This rearrangement has been almost revolutionary in its character and effect. Old shibboleths such as the law of supply and demand, buy that we may sell and tariff for revenue only will not extricate this or any other country from the embarrassing entanglements into which their trade has been drifting because of the operation of these new and potent factors.

First, let us look at Canada. As far as Canada is concerned, the most tragic and significant fact is the subnormal price of farm products and the consequent loss of purchasing power of the people in a very large section of the country. Some one will say, "Expand your foreign trade," but that is no answer. I would point out this one simple fact, that apart from wheat—I am speaking now of agricultural products—we consume within the bounds of Canada the major portion of the products of our farms. I shall run over a few. We consume something like 98½ per cent of the butter produced in Canada, exporting and importing very small quantities. We consume 90 per cent of the bacon and 98 to 99 per cent of the beef produced in Canada. These are the most important but there are others. The fact remains that the major portion of our farm products are consumed in Canada and, therefore, it behooves the house to give a very careful study to whatever factors are now operating to contribute to the embarrassment of the producer and to the low prices which the consumer is now paying. As I have intimated, it is my intention to examine certain factors, both internal and external, which have a vital effect upon this and other questions pertaining to the trade, commerce and industry of this country.

There is a startling fact to which I should like to invite the attention of the house. Since the war Canada has passed through what is virtually an industrial and trade revolution. This has not occurred among the workers but in the control and ownership of the business organism of the country. The more I study this matter the more startling it becomes. Private ownership and personal supervision have been displaced to an almost unbelievable extent by a bond form of capital and corporate management. This applies to industrial and commercial distributing concerns, and it is difficult to estimate to what extent this change has affected the well being of those engaged in agriculture and industry. In order to demonstrate what I am referring to in these general remarks I shall give the house certain facts which, in my opinion, have a very significant bearing upon our affairs. The tendency to merge business under a limited control was prevalent in Canada and abroad before the war but it was checked by the war. Just as the war checked the extension of the merging of business under limited control, so did the depression of 1929. Whether or not that depression was due to that tendency I should not like to say but the fact is that for the time being it curbed the merging of business. In order that the house may get a proper perspective of this matter, which I consider to be of very grave importance, I should like to quote from a government report issued in 1913. This is a report on industrial mergers and over capitalization and I shall read some brief extracts from it in order that the house may be seized of the significance of the movement at that time and its consequences. I propose also to examine some factors with regard to external matters. This report of 1913 says:

> Towards the close of the decade 1900-1910 a tendency to form amalgamations became marked among industrial enterprises in Canada. The tendency reached the proportions of a movement more or less general in 1909-1910; but it later almost completely subsided.

Then the report goes on to quote the Monetary Times, to the effect that in that period there were a great many mergers formed absorbing 248 companies, the aggregate capital of which was $456,000,000. This however is the significant part of the quotation:

> The outstanding feature of the merger movement in Canada as above developed was its lack of success. Of the 56 amalgamations just mentioned, several met complete failure, several were saved only by drastic reorganizations, and several had to defer dividends on bonds and stock issues. Profits estimated on the "savings" above enumerated—

That is, the savings due to management and to other causes usually given as arguments in favour of mergers.

> —in many cases did not materialize. Consolidation in itself, it was found, by no means

guarantees economies or larger profits as compared with the operation of individual plants. Many unexpected difficulties cropped up in the process of welding individual plants together.

I read that merely to indicate that there were before the country and before economists certain facts which I do not think were given very much credence or very much attention; otherwise we should perhaps have known better than to do some of the things we did subsequent to the war.

Let us turn to the period following the war. During the years from 1922 to 1929 there were formed in Canada no less than 120 mergers, involving over 500 separate companies. Of power and paper mergers there were 8, which took in 58 concerns. A biscuit merger absorbed 7 of the old companies; the Eastern Dairies absorbed 10 local companies; the Dairy Corporation of Canada took in 6 separate companies; 4 flour milling companies absorbed 48 bakeries; 1 paving corporation gobbled up 14 independent companies; 11 public utility corporations combined 46 local companies; General Steel Wares combined 5 companies, including such concerns as McClarys, which for a generation had been a household term in this country, and Happy Thought. It is difficult to realize the effect that this has had on our national life. The social change resulting from this was most striking, because this is what ensued. Of the 500 companies which were thus merged into a much more limited number, the heads of these companies vanished as leaders in business. Some of them of course were carried into the merger and occupied positions of leadership; but by long odds the largest proportion of these independent leaders were eliminated from the business life of the country and no longer contributed either their experience or their guidance to its affairs.

I have also under my hand a statement—I will not read it in detail—showing that a large number of these companies failed financially; in other words, they were not successful as mergers. So that from the economic standpoint there was no gain to the country so far as they were concerned. In reference to this matter I would quote some extracts from a book recently published by Mr. T. E. Gregory. Gold, Unemployment and Capitalism is the title of the book, and the author is recognized, I think, by a great many as a high authority on subjects of this kind. His words in reference to this tendency to merge or to form cartels, to which he also refers, should warrant I think at least some attention. This is what Mr. Gregory says:

> To have both planning and freedom, regulation and perfect elasticity of organization and technique is an impossibility. The difficulty of reconciling capitalism and planning may be judged by the mistakes committed in the last ten years in consequence of the enthusiastic acceptance by certain classes of business men in all countries of the doctrine of rationalization.

Further on he says:

> What has caused so many rationalization projects to fail, that is, to disappoint from the financial point of view, has been the neglect of the distinction between the technical optimum and the economic optimum; and neglect of this distinction is peculiarly liable to occur when the direction of economic enterprise passes out of the hands of those trained to think in terms of the market into those trained to think in terms of the process subsidiary to the output of a certain product or service.

Then he concludes:

> The fact remains that the rationalized undertakings of the era 1922-29, with their enormous overhead investment, their centralization of initiative and authority, their greater ability to monopolize the market and to buy on the most favourable terms, have not shown themselves conspicuously more successful than the non-rationalized undertakings. They have lacked adaptability, and elasticity, and for my own part I believe we shall witness a less blind worship of size and authority and monopoly in business for some time to come, unless indeed the whole process of economic adjustment of scale of output to demand is to be permanently prevented by the intervention of the state.

In other words, he directs attention to the growing tendency towards the development of mergers and monopolies in business, and to the obvious failure of this effort. May I give a more striking illustration of the working-out of this tendency? I give this because it applies to the commonest of all foodstuffs, bread, and it does present to my mind, to the mind of every thoughtful person, and particularly, I fancy, to this house, subject for very careful consideration.

Six mill-controlled bakeries in Montreal, with an aggregate yearly capacity of 163 million pounds of bread, can supply four-fifths of the bread sold throughout the whole province of Quebec. The total of all bread sold in Montreal alone is some 88 million pounds. In other words, these six controlled bakeries could supply 80 per cent of all the bread required in the province of Quebec. The significant fact is that in Montreal there are 126 bakeries and in the province of Quebec 887. Yet these six have the capacity to control 80 per cent of the supply of the whole province.

Take Toronto. Six of Toronto's seven mill-controlled bakeries report a capacity of 202 million pounds. The total consumption in Ontario is 403 million pounds; in other words, these six bakeries in Toronto could supply half the total bread consumed in Ontario. And yet there are 235 bakeries in Toronto and 1,111 bakeries in Ontario.

In Winnipeg we have this situation. Three mill-controlled bakeries have a capacity—77 million pounds—to supply the whole province, for the estimated annual provincial consumption is around 57 million pounds. Yet in Manitoba there are 57 bakeries in Winnipeg while in the whole province there are 136.

In Vancouver there are four mill-controlled bakeries with an estimated capacity of 50 million pounds, whereas the total consumption for the whole province of British Columbia is 58 million pounds. Yet there are 99 bakeries in Vancouver and 267 in the province.

This question of the development of huge commercial and industrial organizations, with capacity far beyond the requirements of the community, and with the concentration of control of these industries in the hands of a comparatively small number, constitutes a problem which this country might well keep in mind when considering the policies to be adopted in dealing with these matters. Such is the story. In the light of those facts, very much abbreviated in the telling—and I have under my hand many more facts in support of my contention—can anyone say that our old methods of handling farm products will succeed? I submit this proposition to the house: in the face of the facts to which I have made reference wherein is justified the opposition to an attempt to give Canada marketing legislation which will enable the country, the producers and others interested to have at least some interest in the orderly marketing of their products? The leader of the opposition (Mr. Mackenzie King) says: Let the government keep its hands off this business.

Mr. MACKENZIE KING: He did not say anything of the kind.

Mr. STEVENS: He said it over and over again.

Mr. MACKENZIE KING: Not at all. He said over and over again: Let parliament make what regulations they like.

Mr. STEVENS: That is the difference between Tweedledum and Tweedledee.

Mr. MACKENZIE KING: No, it is not.

Mr. STEVENS: My right hon. friend has spent about two weeks in criticizing and objecting to a bill which is designed, as I have intimated, to assist in overcoming the difficulties which have resulted from the concentration of business in a comparatively few hands.

Mr. STEWART (Edmonton): Let the Magna Charta function.

Mr. STEVENS: My hon. friend says: Let the Magna Charta function anyway. He may question my other interpretation of his remarks, but Magna Charta will take care of all this.

Let us turn to the question of foreign trade. Are the old conditions of pre-war days operating now? The chief financial critic of the opposition (Mr. Ralston) says: Buy that you may sell. That sounds well; these old shibboleths, as I have said, sound well, but I ask him and the house: Buy from whom and how? From the cartels of Europe? Totally ignoring the change that has come over the organization of industry, business and commerce in Europe, totally disregarding the cartels that have grown up there in recent years, cartels which are international in character and which by their weight and influence very frequently largely direct the policies of government, they tell us that the only thing that is necessary is to buy so that you may sell. Let us examine the situation in regard to the cartels in Europe. In the first place the system so far as the internal operation of cartels is concerned is an old one. For instance, in Germany they have had cartels since, I think, 1874, but the cartel of Germany of pre-war days was one to regulate business within her own territory. These cartels, however, have now become international in scope. It is true that before the war there were a few international cartels; for instance, there was the carbide cartel, the rail cartel, that is concerning the production of steel rails, the incandescent cartel and the aluminum cartel, but it is since the postwar period that we see the development of the great cartels in Europe. These have been used as a means of readjusting the economic structure of Europe; that fact cannot be questioned. In the political, social and economic upheaval which has been occurring in Europe during the past fifteen years we find that the international cartels, understandings between groups of industry in different countries, have played and are playing a very important part. For example, let us take the Franco-German potash cartel. Both the German and French governments are interested in it and it very largely controls the supply of that commodity.

Quotas are fixed for producers and also for exporters. I shall cite a few more instances in a moment. In the light of the fact that these international cartels are operating by agreement among groups of an international character, it is not enough to come to parliament and say: The solution of all your difficulties is to buy so that you may sell, because we are dealing not only with governments, not only with conditions that arise out of the imposition of tariffs in Europe and elsewhere, but with a completely new business structure that did not exist before and is of a tremendously important and potent character.

Let us take, for example, the steel cartel. Germany takes 43 per cent; France, 32 per cent, Belgium and, I think, one or two other countries the balance. Let me illustrate my point now. Canada is anxious and desirous in every way of trading with Belgium. Belgium is anxious to trade with Canada. That therefore looks like a comparatively simple proposition, but when we come down to a study of the actualities, what do we find? We find that a great steel cartel which controls the output of steel in Belgium as well as in Germany and France, has indicated that the price of steel exported to Canada shall be at a certain figure, which figure has no relation to the cost of production. I ask the house: Is the government of Canada called upon to stand idly by and allow an international industrial cartel in Europe to ship steel into Canada at figures obviously unfair according to our law as applied since 1905 to all other countries regarding goods sold at prices below cost of production? We cannot do so and that is one of the problems that arise between countries when they attempt to make agreements or understandings.

Mr. HANBURY: How are you going to break that?

Mr. STEVENS: If my hon. friend will follow me I shall try to elucidate this matter a little further. Under this cartel one dollar per ton is taken for the ordinary business affairs of the cartel, but should one member of it exceed its production quota, it is fined $4 a ton and out of the fund thus raised those who come under the quota are paid for any losses which they may incur. For instance, the German industrialists had, I think, to pay several million dollars into this fund. I am seeking, however, to emphasize the fact of the existence of these cartels.

Let me cite one or two others. There is the chemical cartel which has grown to proportions that I think were undreamed of before the war. It is still in existence. I am not condemning cartels but I am inviting the house to take note of the fact of their existence just as I have invited the house to take note of the fact of the merger of companies in Canada as a new set-up in the structure of our business organizations. There is the rayon cartel, well known to be a strong international set-up, and the linoleum cartel. The copper cartel in 1928 and 1929 fixed a price of eighteen cents a pound and copper stood at that figure for two or three years. It is true that after the depression set in the price was broken, but the cartel is still in existence. Let us take lead and zinc. As regards zinc, Belgium, Holland, France, Germany, Poland, Great Britain, Spain and, I think in a sense Canada and the United States, are in this cartel. I remember not so very long ago that certain purchasers of lead, wanting to buy it in large quantities for a European country, were desirous of buying it in Canada. What did they find? The only place where they could buy that lead was in London from a certain firm which controls the export of lead to those countries. Why? Because of an international understanding among the countries of the world controlling the marketing of lead. It may be argued that the government of Canada should force, for instance, any Canadian producer to step out. But what would happen? Simply this; you would close up your lead mines, and the Canadian producer would have no opportunity of marketing his goods in any of these countries.

Mr. HEAPS: In that case could not the government itself step in?

Mr. STEVENS: No, I think not, where you have a large export as you have in lead, copper and other minerals. What I do think is that the conditions that have caused the cartelization of industry and commerce in Europe suggest the need of an international conference to give special study to this subject. I might say that the League of Nations have already taken cognizance of it and made several reports. As a matter of fact it is declared in one of those reports that so influential and strong were those at the head of some of these cartels that the League of Nations themselves felt that they should not go any further than merely cite the facts. There is a very interesting document published by the United States Department of Commerce, written by Louis Domeratzky, on this whole subject of cartels. It is a most illuminating document. There are also some utterances by the League of Nations.

I have cited this matter of cartels for the purpose of impressing upon the house the

fact that there are new elements entering into the question of international trade that were not present formerly. But that is not all. We must now recognize—I have referred to this before, I shall merely mention it—that the question of war debts has resulted in inhibitions and impediments to trade in the form of tariffs and quotas; this is another factor that is beyond our control. The fact that certain countries of the world have been submerged in debt to other countries constitutes an inflexible and inexorable barrier against the importation of goods into that country except under certain conditions. It is just as inexorable as the law of gravity, there is no escape from it. It is senseless and useless for us to talk about moving trade in certain directions when as a matter of fact by reason of the financial condition and obligations of given countries it is impossible for those countries to open their doors to foreign trade except under certain conditions which must take cognizance of the weight of the debt and where it is owed. Yet, sir, there are those who still say that we should extend our markets. Here is another factor which I invite hon. gentlemen opposite to consider. In saying what I now say I am not attaching any blame to hon. gentlemen opposite, I am merely stating a fact. During the years that hon. gentlemen opposite were in office, and I think in perhaps one or two instances before their time, there were some twenty-three most-favoured-nation treaties entered into by this country. What does that mean? It means simply this, if we follow the advice of certain hon. gentlemen opposite and make a trade agreement with Spain or Italy or Greece or any country in Europe covering certain items to be admitted to this country, the moment that agreement is made it immediately and automatically applies to twenty-three other countries. So, sir, when we discuss with a country the question of barter, if you wish to use that term as it is so frequently used lately, as my hon. friend from Shelburne-Yarmouth (Mr. Ralston) said in rather picturesque language the other day, all that is required is to give a quid for a quo—I do not know what he meant by a quid, it suggests chewing tobacco. Give a quid, he says, for a quo. But when you give a country its quid, there are at once twenty-three other countries that can chew on that quid just the same as the one to which you give it. That is one of the problems with which we are faced. It is a question whether that kind of international agreement was wise or unwise, for the moment I am expressing no opinion on that. I know arguments can be advanced in favour of it. But I say without hesitancy that in the light of the changed conditions, in the light of these other factors in Europe to which I have referred, this doctrine of the most favoured nation, which is embalmed in some twenty-three treaties, is a distinct impediment to the making of agreements with other countries, a grave difficulty.

Mr. CHAPLIN: Get rid of the hang-nail treaties.

Mr. STEVENS: There is another point to which I wish to refer briefly. Statements have been made about the balance of trade. My hon. friend the critic of the opposition dealt with this at considerable length. It is interesting to note that our periods of excessive borrowings synchronize with the periods of excess of imports over exports. Let us pause and examine that for a moment. Open your doors and allow goods to flow in, they say, the theory being that the moment you do that goods will flow out; and the golden age from 1901-2-3-4 to 1907 or 1908 is cited as proof and support for that doctrine. But turn up your trade returns for these years, turn up your financial balances and what do you find? You find that during the years when Canada did its heaviest borrowings abroad imports exceeded exports. And that must necessarily be; it is as I said a moment ago a law of economics. But what this parliament and the country is called upon to do is to pause and ask itself the question: How long can such a process go on? Obviously it can only go to a point where the borrowings and the interest incurred as a result thereof become a burden beyond the normal capacity of the country to bear.

Let us follow that a step further. This may be a platitude if you like, but nevertheless it is a mighty important law in economics of trade and commerce. A debtor country must necessarily export more than it imports or else it goes in the hole. A creditor country will almost invariably import more than it exports because it is thus that its debts are paid. Let me give the house some very significant figures. Great Britain is a creditor country and has been a creditor country for many years. I have the figures of its imports from 1913 to 1932 before me. We find that imports exceeded exports by huge sums every year. There is not a single year so far as I can see in this whole list in which British imports did not exceed exports. But it did not follow that Great Britain was in any sense suffering from that condition, because she was receiving payment for certain things. It was payment of interest, it was payment for services, particularly ship-

ping services, which amount to two or three hundred million pounds a year. It was payment of obligations owed to Great Britain by other countries. But a country like Canada, that is a debtor abroad, that owes huge sums and interest, has no opportunity to pay except in goods, or by further borrowings. Speaking on this same subject in 1925, when the right hon. gentleman sat on this side of the house, I pointed out that there comes a time when a country cannot go on borrowing any longer. That time arrived two or three years ago as far as Canada was concerned, because generally speaking the money markets of the world were closed to ordinary borrowings.

Now I would like to examine that a step further. I have in my hand and will take the liberty of placing on Hansard a statement by the bureau of statistics on this subject. It shows what are termed the visible and invisible items in our trade. The hon. gentleman who is the critic of the opposition cited it the other day. What he did chiefly was to play upon item 23 which is cited as "net errors and omissions, $102,000,000." He joked, and said the statisticians could not come within $100,000,000, but what is a $100,000,000 among friends? I think he was most unfair in his criticism of the bureau of statistics. The facts are these—

Mr. RALSTON: I did not criticize the bureau of statistics, if my hon. friend will permit me to interrupt.

Mr. STEVENS: My hon. friend did criticize the bureau; he reflected on the bureau of statistics for not being able to account for this $102,000,000.

Mr. RALSTON: If my hon. friend will look at the record he will find that is not the case. I twitted my hon. friend the Minister of Finance (Mr. Rhodes) for showing a favourable balance of trade of $242,000,000 when the bureau of statistics showed $102,000,000.

Mr. STEVENS: The $102,000,000 had nothing to do with it.

Mr. RALSTON: It certainly had.

Mr. STEVENS: If my hon. friend would permit me, he is not allowed to make another speech.

Mr. RALSTON: My hon. friend will permit me to finish.

Mr. STEVENS: I decidedly object to the hon. gentleman making another speech now.

Mr. RALSTON: It has been made clear—

Mr. SPEAKER: The hon. gentleman has made his speech, and he will have other opportunities to make whatever statements he desires.

Mr. RALSTON: I am raising a point of order, Mr. Speaker, and I have very good authority for asking for an opportunity to correct a misstatement of fact. My right hon. friend the Prime Minister (Mr. Bennett) during the course of a speech by myself, laid down the rule that misstatements of fact cannot be allowed to pass. Objection was taken—

Mr. STEVENS: From what page is my hon. friend quoting?

Mr. RALSTON: Page 531 of Hansard. I said:

> On what question of privilege my right hon. friend is rising, I do not know, I am sure.
>
> Mr. Bennett: The question as to a misstatement of fact. It is always competent to correct a misstatement of fact.

With that authority I am correcting a misstatement of fact by the Minister of Trade and Commerce, if I may be allowed to do so.

Mr. STEVENS: In order not to prolong the discussion I will withdraw my statement, because I do not need it at all in my argument.

Mr. RALSTON: Very good.

Mr. STEVENS: However, in his speech the hon. gentleman reflected upon the statement because at the bottom it showed $102,000,000 unaccounted for.

Mr. RALSTON: I did not reflect on the bureau at all.

Mr. STEVENS: Well, Mr. Speaker, there is a limit beyond which I do not think I should be interrupted. I listened to the whole of my hon. friend's speech and did not open my mouth once.

Mr. RALSTON: But I did not make any misstatements of fact.

Mr. STEVENS: I will let that pass, but the point I am making is this: the $102,000,000 to which my hon. friend referred has nothing to do with the matter at all except to this extent, that in dealing with invisibles, as they are termed, there is no country in the world and there is no statistician in the world that can possibly make an exact balance. The general theory is that the business of any country will always balance itself. The point, of course, is that if a country's business is out of balance at the end of a period, though really there is no particular period since it is

a continuous process, then the currency of the country will fall in relation to other currencies and there will be automatic impediments, shall I say, to trade. The outstanding example, of course, is the case of Canada and the United States. When Canada's exchange got out of line with the United States exchange our currency fell in value, and immediately and automatically it erected an additional protection for Canadian goods against imports from the United States. In other words, for every one per cent that Canada's exchange was off in New York, another one per cent was added to the general tariff of the country.

Some hon. MEMBERS: Retract.

Mr. STEVENS: I have retracted; what are my hon. friends talking about? What the hon. gentleman said, so far as I can ascertain after a hasty search, was this:

As a matter of fact the bureau of statistics, as the Minister of Trade and Commerce knows, regards this balance of trade as something of a fantasy—

I was not very far off. There is no fantasy about it, and I will deal with that in a moment.

—they have an idea that trade always balances eventually, that the total international payments balance, and they do rather a remarkable and, so far as the Minister of Finance is concerned, a shocking thing when they come to show the balance of trade at $102,000,000.

They make no such showing.

Mr. RALSTON: Go on.

Mr. STEVENS: That was a complete and absolute misrepresentation of the fact. The hon. gentleman says—

Mr. RALSTON: Finish the statement.

Mr. STEVENS: The hon. gentleman says they do a shocking thing when they show a balance of trade of $102,000,000. I gave the facts as I have them and as my hon. friend had them when he spoke. Here are the facts—

Mr. RALSTON: My hon. friend should read on and finish the quotation.

Mr. STEVENS: I will finish it; I will read his whole speech, if time and the patience of the house will permit. My hon. friend went on:

Do you know what entry they make?

I recall to the house the rather dramatic way in which he made that statement:

Do you know what entry they make? They say, "Net errors and omissions, $102,000,000." They do that in order to balance up, because they do not regard this as a real balance at all. Of course, my hon. friend knows that the bureau of statistics, in publishing its statement—

and so on. Then my hon. friend reads from the report of the bureau.

Mr. RALSTON: Go on.

Mr. STEVENS: Certainly I am not going to read any more.

Some hon. MEMBERS: Oh, oh.

Mr. STEVENS: I have covered the point; I am not going to enter into a tweedledee-tweedledum discussion with the hon. member across the floor of the house. The hon. gentleman referred to the $102,000,000 appearing in this statement; he will not deny that, and he went on to say to the Minister of Finance that this was shown as a balance of trade. It was not, and in order to show that it was not I will place the statement on Hansard. The first item has to do with commodity trade; the second with exports and imports of gold coin and bullion; the third with the correction for gold movements to convert to Canadian currency; the fourth with freight payments and receipts; the fifth with tourist expenditures; the sixth with interest payments and receipts; the seventh with immigrant remittances; the eighth with government expenditures and receipts; the ninth with charitable and missionary contributions; the tenth with insurance transactions; the eleventh with advertising transactions and so on, including twenty-one items. Then, Mr. Speaker, after citing all these items of visible and invisible trade the bureau of statistics shows, as item No. 23, "Net errors and omissions" to balance the statement. The statement is as follows:

Estimated Balance of International Payments for Canada

Preliminary Statement for 1933

(000's omitted)

—	Exports Visible and Invisible	Imports Visible and Invisible	Net Debit (−) or Credit (+)
	$	$	
1. Commodity Trade (Corrected by deduction of non-commercial items, overvaluations, etc.)	535,000	389,250	+ 146·0
2. Exports and imports of gold coin and bullion	66,000	850	+ 65·1
3. Correction for gold movements to convert to Canadian currency	27,000	350	+ 26·6
4. Freight payments and receipts, n.o.p.	40,000	55,000	− 15·0
5. Tourist expenditures	110,000	50,000	+ 60·0
6. Interest payments and receipts	50,000	275,000	− 225·0
7. Immigrant remittances	5,000	6,000	− 1·0
8. Government expenditures and receipts	6,500	9,500	− 3·0
9. Charitable and missionary contributions	1,000	1,000	—
10. Insurance transactions	15,000	11,000	+ 4·0
11. Advertising transactions	1,500	3,000	− 1·5
12. Motion picture earnings	.....	4,000	− 4·0
13. Capital of immigrants and emigrants	4,000	3,250	+ 0·75
14. Earnings of Canadian residents employed in U.S.A.	700	.....	+ 0·7
15. Exchange London and New York on interest and maturity payments and receipts	3,000	12,000	− 9·0
16. Miscellaneous items such as direct magazine subscriptions, artists and entertainers' receipts, radio programmes, etc.	.....	4,000	− 4·0
17. Difference between debits and credits as above	.....	40,500	.....
	864,700	864,700	.....
18. Sale and purchase of securities	350,000	250,000	+ 100·0
19. Maturities	.....	40,000	− 40·0
20. Direct investments	1,500	.....	+ 1·5
21. Net inflow of capital	.....	61,500	.....
	351,500	351,500	.....
22. Total debits and credits	1,216,200	1,114,200	.....
23. Net errors and omissions	.....	102,000	.....
	1,216,200	1,216,200	.....

The whole point, Mr. Speaker, is that of these items comparatively few are according to official statistics but must be estimated, and that is common in all countries of the world. My own criticism of the statement, if I had one, would be that I do not think they allow a large enough item for the services abroad for Canada. I believe the freight charges against Canada are larger than the estimated amount, though I know that very great care is taken to try to get that figure accurately. But, sir, let me go back to where I was when my hon. friend interrupted me. A debtor country must have an excess of exports of commodities over imports. I distinguish very sharply there between the export of commodities as against a general balance of the country's business. It necessarily must have an excess of exports of commodities if it is to make good its balances and debts abroad. For instance there is interest shown in this statement amounting to $275,000,000, and there is freight of $55,000,000 as against a credit of $40,000,000. There are other items as well which must be taken care of.

So, sir, I wish to make this point distinct and clear, that while it is quite competent for a borrowing country to have an unfavourable trade balance and still be sound financially and make good on its general year's trade or business, for a country such as Canada with its heavy obligations abroad, such as interest amounting to $275,000,000 and other services, it is essential that such a country have an excess of exports to some degree commensurate with the adverse balance which is indicated, or it must borrow heavily abroad and increase the public debt, as was done in the years from 1904 to 1913. That is the only alternative. I have pointed out to the house, and I wish to emphasize this now, that this country knows that it is not desirable, if it can be avoided, to add to the public debt merely for the purpose of balancing the exports and imports of this country. So it is

highly desirable, indeed it is absolutely imperative, that so far as possible Canada shall create an excess of exports over imports. There are only certain ways in which that can be done, and this government has attempted at least so to adjudge its international trade relations as to achieve that end.

The question is, have we lost trade abroad, and if we have just where has that trade been lost? I am going to examine some very interesting figures. It is well for us to keep in mind the times and dates when these changes took effect, and when I cite, as I am about to do, certain facts and figures I ask the house to remember the metamorphosis that came over the economic and financial structure of this country in the last fifteen years. I also ask them to bear in mind the fact which I placed on Hansard in the debate on the address that in practically every one of the leading countries of Europe higher duties were imposed against Canada during the period before we came into office at all.

Let us look at some of our exports. Hams and bacons are somewhat important I think to Canada, and here are some very interesting figures. In 1925 we exported to all countries 1,208,721 hundredweight; in 1930 that had dropped to 267,026, or about one-fifth of what we had in 1925.

An hon. MEMBER: Who was in office then?

Mr. STEVENS: Who was in office? Not this government. In 1934 we had recovered that loss in export to all countries to the extent of 960,178 hundredweight. In other words, we are almost back to where we were before that loss in exports occurred before we came into office.

To the United Kingdom we exported hams and bacon in 1925 amounting to 1,193,186 hundredweight; in 1930 that had fallen to 241,324 hundredweight; and in 1934 it had risen to 945,597 hundredweight.

Take our fish exports to the United Kingdom. In 1925 they amounted to 311,031 hundredweight; in 1930 that had dropped to 143,064 hundredweight, and in 1934 we had made some recovery to 221,270 hundredweight.

Our exports to Great Britain of non-ferrous metals—I have these figures in dollars of value, not the weight, although I have the weight in some of my other papers—

Mr. RALSTON: Is my hon. friend giving fiscal years or calendar years?

Mr. STEVENS: Fiscal years. For the year ending March 31, 1925, we exported to the United Kingdom non-ferrous metals to the amount of $16,868,927. In 1930 that had dropped to $15,404,363, and in 1934 it had risen to $35,827,707. Mark you, in 1930 copper was selling at 18 cents a pound and now it is selling around 8 cents a pound. Take copper alone, of which our total exports to all countries amounted in 1925 to 438,563 hundredweight; in 1930, 1,577,176, an increase; in 1934 it had risen to 2,161,127 hundredweight. To the United Kingdom we exported 995 hundredweight in 1925; in 1930 67 hundredweight; in 1934, 1,275,579 hundredweight.

Take leather. In 1925 we exported to the United Kingdom leather to the amount of $1,658,157; in 1930 that had fallen to $1,201,162, and in 1934 it had risen to $2,400,834 in spite of a drastic fall in prices.

Now I come to wheat, about which so much has been said. We have lost the wheat market, my hon. friend from Shelburne-Yarmouth (Mr. Ralston) said. In 1925 we exported to all countries 191,764,537 bushels; in 1930, 177,006,369 bushels; in 1934, 175,534,255 bushels. In other words, there was a fall in our exports from 1925 to 1930, but there has been no serious loss since.

Take our flour exports to the United Kingdom, which is our big market. There was a drop in our exports between 1925 and 1930 from 3,274,976 barrels to 2,278,916 barrels, or a drop of about one million barrels. In 1934 we had won back to 2,551,249 barrels.

Take the export of our apples to the world. In 1925 we exported 1,406,237 barrels; in 1930, 1,882,280; in 1934 3,476,114 barrels. Yet hon. gentlemen opposite and others say that we have lost trade, lost our business with foreign countries.

Take our exports of lumber to the United Kingdom. In 1925 we exported 235 million feet; in 1930 that dropped to 187 million feet; in 1934 it had risen to 595 million feet.

When we take newsprint we find that there was a sharp increase in our exports between 1925 and 1930; and our export now is again increasing. Our average export in the last three years amounted to 39,600,000 hundredweight as against an average for the previous five years of 37,400,000 hundredweight. So in spite of the difficult times through which we have been passing we have measurably held that trade as well.

Mr. YOUNG: Has my hon. friend the figures for our total trade?

Mr. STEVENS: Yes, I have them here and will come to them in the course of my remarks.

I now wish to give a few figures of our exports to different countries.

Exports to France

Commodity—	1921	1930	1933
Wheat. . .	$11,200,000	$7,900,000	$9,000,000
Oats. . . .	1,200,000	300,000	85,000
Barley. . .	66,000	.....	55,000
Rye. . . .	115,000	.....	34,000
Canned lobster . .	277,000	260,000	376,000

I could cite the Netherlands, Italy and Germany indicating in some very important items an increase in our exports in these difficult times over the period before we took office.

Take our exports to the United States. While we are accused of destroying trade between Canada and the United States, the figures I am about to present will show just when the reductions in that trade occurred:

Exports to United States

Commodity—	1921	1930	1933
Wheat. . . .	$ 91,000	$ 7,000	$26,000
Flour.	12,000,000	12,000	3,700

It will be noted that our exports of flour in 1930 had dropped just one thousand per cent as compared with 1921:

Exports to United States

Commodity—	1921	1930	1933
Oats.	$4,700,000	$ 20,000	$71,000
Barley. . . .	1,150,000	69,000	....
Pease.	500,000	99,000	91,000
Hay.	3,700,000	321,000	54,000

And so on down the list—horses, sheep, fresh mutton and lamb, and so forth. I will give a few more figures:

To United States

Commodity—	1921	1930
Fresh mutton and lamb.	$ 1,600,000	$ 72,000
Poultry.	500,000	44,000
Tallow.	650,000	51,000
Butter.	5,700,000	8,000
Condensed milk. . .	2,500,000	116,000
Cattle hides. . . .	17,500,000	5,700,000

This at least indicates that the reason why our trade to the United States dropped was the Hawley-Smoot tariff which was passed before this government took office and with which we had nothing whatever to do, influencing it neither one way nor the other. An hon. member asked me for the total trade. I have before me the figures for the fiscal years of 1933 and 1934. The exports to all countries for 1933 amounted to $473,799,955 and in 1934 to, $579,367,045. Exports to empire countries in 1933 amounted to $222,118,927 and in 1934 to, $278,043,978. Exports to foreign countries in 1933 amounted to $251,681,028 and in 1934 to, $301,323,067. The increase to all countries amounted to 22·3 per cent; to empire countries, 25·2 per cent and to foreign countries, 19·7 per cent.

Mr. YOUNG: What year?

Mr. STEVENS: Just a moment. My hon. friends will say: Oh, but you are citing 1934 as against 1933. Of course we are. We are trying to show to the rather recalcitrant minds of hon. gentlemen opposite that there are evidences of improvement and recovery in this country. We are trying to give a little heart to the country.

Reference was made to the tariff board and I should like to make a brief statement in this connection. The hon. gentleman who criticized the government so bitterly cited this board and attempted to show that the government had been discourteous to it because of some delay in giving effect to its decisions. It was stated quite properly that in setting up this board the government had desired to establish one in which all persons would have confidence, particularly those who while not residents of Canada were extended the privilege of appealing to the board by virtue of an article in the United Kingdom-Canada agreement. In drafting the legislation—

Mr. McINTOSH: Will my hon. friend tell me from what manuscript he is reading?

Mr. STEVENS: I ask the hon. member for North Battleford (Mr. McIntosh): Is that a trick worthy of you?

Mr. BENNETT: Oh, yes.

Mr. STEVENS: The same trick was tried last year by one of his colleagues. I am reading from a few notes which I made myself; they are my own composition.

Mr. McINTOSH: I am satisfied.

Mr. STEVENS: They may not be up to the statesmanlike utterances of my hon. friend but they are the best I can do. I may tell my hon. friend that the reason why I read this—surely I cannot be criticized very bitterly for quoting in the house?

Mr. McINTOSH: I am satisfied now.

Mr. STEVENS: I jotted these notes down because I wanted to be accurate in my utterances. They have not been submitted to anyone for correction, addition or deduction.

In drafting the legislation setting up this board, every reasonable precaution was taken to anticipate all the requirements essential to the free and untrammelled operation of the board, but with the many conflicting interests involved in matters pertaining to tariffs, it could not be expected that questions would not be raised as to jurisdiction or powers of the board. Such an instance occurred in connection with what is known as the jute twine case which was cited by the chief critic of the opposition. This was not a question as to whether or not the government would accept decisions of the board, it was definitely a question of jurisdiction of the board in making a decision in the form in which it was made. The matter went to appeal to the governor general in council, which was within the rights of the appellant, and it was decided to refer the point of law to the supreme court for a decision. It was a very difficult and considerably involved point and obviously some time would have to elapse during the period of consideration of the matter. There was no undue delay as the matter is now before the supreme court and it is entirely out of place to make it a subject of controversy on the floor of this house. Giving my own personal views, I have no hesitancy in saying that we have done everything we can faithfully to carry out the terms of the United Kingdom agreement, not only as it relates to this particular matter but to all others therein. There is no doubt that delay will occur in connection with difficult matters which may arise from time to time. I make this statement deliberately because of the time spent by the hon. gentleman in criticizing the government in connection with that case and placing before the country an entirely distorted and I think grossly unfair presentation of the matter. There is no desire either by members of the government or by those in the ranks that support the government to do other than treat all as fairly as possible in this matter. As I have said, many complicated and difficult points are bound to arise which cannot be settled, shall I say, ex parte or offhand.

I shall hasten on. There has been some criticism regarding the gold tax and I intend to make a brief presentation with regard to that and invite consideration. I think the first question which this house should ask itself is: Was this tax a fair tax or was a tax on gold a justifiable action by the government? Let me remind the house that under the law as it stands at the present time mining companies, including gold mining companies, are exempt from the payment of fifty per cent of the corporation income tax. There has been a fifty per cent exemption for exhaustion purposes. In the second place, when dividends are paid by mining companies, including gold mining companies, to their shareholders, there is a fifty per cent allowance on the personal income tax on such dividends. The gold mining industry in common with the rest of the mining industry has received already very gracious and generous consideration in the remission of taxation for the protection of possible exhaustion. The hon. gentleman who spoke officially for the opposition stated that the mines themselves pay a corporation income tax while the shareholders pay the income tax which is imposed upon individuals. He very skilfully ignored what I have just said, namely, that there is a fifty per cent rebate or allowance for exhaustion. Then my hon. friend said this:

> —there are other features which give difficulty in connection with this tax. First, it is discrimination against a particular industry and, second, it is discrimination against particular sections of Canada.

Mr. BRADETTE: Hear, hear.

Mr. MACKENZIE (Vancouver): Hear, hear.

Mr. STEVENS: We have it endorsed by two distinguished hon. gentlemen on the other side.

Mr. BRADETTE: Just as distinguished as you are.

Mr. STEVENS: I said "two". I included my hon. friend in the two.

In the light of what has just been said and what was said by the chief critic of the opposition, let us see if there is any ground for the position taken by the hon. gentlemen. I have before me a list of dividends paid by the leading Canadian mines. I have not the particulars before me of the smaller mines, but I think these figures will be sufficient to show the trend and justify the action of any government in imposing a tax upon gold. I have definitely in mind the fact that the enhancement in the value of gold was not due in the slightest degree to any action of the industry, it was due entirely to extraneous causes. The accretion in value has been somewhere in the neighbourhood of 70 per cent, an enormous increase. During the years 1929, 1930 and 1931 the Dome mine paid dividends totalling $953,000 each year. The dividends

paid in 1932 amounted to $1,334,000 and in 1933, $1,859,000. In other words, in 1933 they paid almost double the dividends paid prior to the enhancement in the value of gold following the 1931 abandonment of the gold standard by London. The following table will give the dividend payments of Canadian mines:

Dividend Payments of Canadian Mines

(Including Bonuses)

Calendar Years 1929-1933

—	1929	1930	1931	1932	1933
	$	$	$	$	$
Coniaurum	.....	.....	.....	580,923	.....
Buffalo Ankerite	.....	.....	.....	.....	23,972
Dome	953,334	953,334	953,334	1,334,668	1,859,001
Hollinger	3,198,000	3,444,000	3,444,000	3,690,000	4,182,000
McIntyre	798,000	798,000	798,000	997,500	1,496,250
Lakeshore	2,200,000	3,000,000	4,800,000	5,000,000	6,000,000
Sylvanite	.....	65,990	131,980	164,975	164,975
Teck-Hughes	2,866,286	2,872,286	3,118,143	2,884,286	2,884,286
Wright-Hargreaves	.....	275,000	825,000	1,100,000	1,413,500
Noranda	.....	3,919,601	1,119,886	2,844,914	3,457,315
Siscoe	.....	.....	.....	500,620	644,545
Premier	1,210,219	1,050,773	635,713	679,900	628,571
Pioneer	.....	.....	157,657	210,210	735,735
Total	11,225,839	16,378,984	15,983,713	19,487,996	23,490,150

Now, Mr. Speaker, I submit this to the house. The country is weighted down with extraordinarily heavy taxes; there is no question about that. In these times it is a difficult task for any government or people to meet, in the form of taxes, a substantial proportion of the obligations resting upon them. The people of this country have been doing their utmost to meet these obligations and now we find a sheltered industry—because I am bound to say quite candidly that it is a sheltered industry—which during this period of depression, owing to causes outside their own activities and capabilities entirely, have realized a tremendously increased income, while at the same time the costs of operation have not increased at all. Indeed, I believe that in many instances they have decreased, as for example in steel, powder and machinery. Nor have wages increased over what they were in 1928 or 1929. The government felt therefore, and properly so I submit, that this was an industry that should share in the burden of taxation, and the taxes which have been indicated have been accordingly imposed.

In the imposition of new taxation there are bound to emerge extraordinary cases, individual cases where representations can be made and always are made. There has never been introduced in this house a budget in the consideration of which, in the committee stage when individual taxes have been discussed, hon. members on all sides have not presented views which they have felt worthy of consideration. And that will undoubtedly happen in this instance. There may be some adjustments in detail, in administration; but this I say without hesitancy, that in the light of the facts this industry is entitled to bear its share of the weight of taxation in this country.

Mr. HEAPS: Can the minister give the amount paid by the government in subsidies to these gold mines?

Mr. STEVENS: What subsidies?

Mr. HEAPS: The differential between the export value of gold and its home value.

Mr. STEVENS: The Minister of Finance will take that as notice of a question, but I understand that a return was brought down and tabled. Let me point out however what South Africa is doing. In South Africa the new price of gold is 120 shillings; the standard price is 85 shillings, or a premium of 35 shillings an ounce or $8.75. The new tax they have imposed amounts to about half the premium or $4.35 per ounce. It is a different form of tax from ours. but in effect not materially different, because it recognizes that there is an artificial enhancement of the value of the product, and it takes away about half of that enhancement. Here is the significant

feature of their law. When collections exceed $30,000,000, or £6,000,000, then a deadline is drawn and there is above that a slight reduction in the weight of the tax. Another point is this, that the mines that do not earn an excess profit, or a profit of £5,000, are exempt from the tax—small mines.

These are details in the South African proposal which might very well be the subject of discussion if one wished to make it so. But I would point out that it does not stop with gold, because silver and other metals as well as gold are included in the tax.

I have nothing more to say in this regard but to repeat that we do consider, in the light of the very excellent earnings of these gold mines, which we are all glad to see, that it is only fair and reasonable that they should share in the burden of taxation. And I say, speaking for myself and not for the government, because I come from British Columbia, which is a mining country, and have been in touch with mining for the last forty years, that in my opinion the mining industry as its attitude has been represented in the last few weeks in public statements has not done credit to itself. Indeed, I have told some of my friends that I was disappointed in their attitude. Certainly there are details, many of them to be brought forward, and they will be considered. But it is nonsense to say that the industry will be ruined, in view of the fact there is scarcely one that was not in operation before gold rose appreciably. Do hon. members realize that a year ago gold was $25 an ounce, whereas to-day it is $35—and I am reminded that it was due to the exchange conditions, the adverse exchange with the United States. I repeat, gold is to-day $35 an ounce as compared with $25 a year ago. Will mining men tell me or anyone else who knows anything about the matter that it will ruin the industry to take a portion of that? The thing is absurd.

There is much more that I might say but I fear I have kept the house altogether too long. I will not weary the house with further details regarding trade, though I happen to have them under my hand. But I would say this in regard to our trade relations. The conditions operating both in this country and abroad make the movement of trade exceedingly difficult compared with years ago, and we must take these factors into consideration. I have endeavoured to make clear to the house that new and momentous changes have taken place in the economic structure of the world, changes which forever bar us from a return to the old methods. In many countries these economic changes have been the cause of social and political upheavals of great significance.

The proper and courageous course for Canada is not a right-about face as suggested by the hon. member for Shelburne-Yarmouth, but rather an aggressive but orderly advance, adjusting, as we proceed, our public attitude to these new factors in our business structure in such a manner as to secure to the producers and workers of this country a fair return for their efforts. To ensure that this be achieved, parliament must ever keep before it as its dominating motive, the overwhelming importance of human values, as distinct from an ever-increasing tendency to measure success by size and efficiency. Let parliament, sir, hold the balances in such a way that genius and enterprise may receive a just reward, but not at the cost of the happiness and well-being of our people.

Mr. GEORGE W. McPHEE (Yorkton): Mr. Speaker, the budget address which was delivered a few days ago by the Minister of Finance (Mr. Rhodes) might be summed up in the classic language of Sir Henry Drayton who, at the conclusion of one of those dark periods in Canadian history, in delivering his budget speech on May 9, 1921, ended with these words:

> The world is sadly out of tune. May we help in restoring harmony? Trust and confidence are sadly lacking. Class interests are advanced with selfish insistence. Unemployment is with us. Faith in our fellow men is weakened. Doubt of the future is often voiced. And what is the trouble? The sun still shines, our lands are as great and fruitful as ever, our resources just as vast and our rivers still sparkle on their way to the sea.

Gone are the days of surpluses of revenue over expenditures. Gone are the days of expanding trade. We in this country are now at the end of four years of an era of debt, deficit and decay. The Minister of Trade and Commerce (Mr. Stevens) this afternoon attempted to say that the policy of the Prime Minister (Mr. Bennett) when the present government took office four years ago is not the proper one in the light of present day conditions. My mind goes back—and I think this gives the reason for present-day difficulties—to the early summer of 1930, when the Prime Minister went on a rampage of promises from one end of Canada to the other. I remember very well his promises to the farmers: Listen you agriculturists, you who have been taught to mock at tariffs and applaud free trade; tell me: When did free trade fight for you? I will make tariffs fight for you; I will use tariffs to blast a way for you into the markets of the world. I re-

member one of the Conservative cartoons issued at that time—and this has reference to wheat which the Minister of Trade and Commerce was discussing this afternoon—showed a great Canadian wheatfield with Jack Canuck standing in the centre shouting to a picture of the leader of the Liberal party (Mr. Mackenzie King): What are you going to do with my wheat? Wheat was then selling at $1.08 a bushel and in the month of March of this year it was selling at forty-one cents a bushel. The people believed those promises in 1930 and they elected this government for which the Minister of Trade and Commerce is an apologist this afternoon.

The government kept two of its promises; one of those was to call a special session of parliament and the other was to increase the tariff. Parliament met in September, 1930, and the tariff was increased enormously against other countries. My hon. friend now talks about our trade falling off. I will show him in a few minutes why it has fallen off. At the special session of 1930 the tariff was increased against every other country in the world. Then the Prime Minister went to the imperial conference at London and asked the British people to impose a tax of ten per cent on their food in order to give Canada a preference in their market. We all remember what the leaders of British thought said then about the matter; if they adopted that, they would be on a slippery slope leading to the bottomless pit. The Prime Minister came back to Canada and went to the city of Regina still talking about obtaining markets for Canadian produce. I can hear him yet over the radio when he came to discuss the matter of Canadian wheat; he said: My fellow Canadians who are now within sound of my voice, just at this very minute Mr. Marler, Canadian ambassador to Japan—and he would not be there if my right hon. friend had had his way in 1928—is on his way to China to enter into a treaty with that great nation for the sale of your Canadian wheat. How much wheat did we sell to China? We heard some talk a few years ago by the government that they would not permit the sale of 100,000 head of Canadian cattle to Russia because Russia was an ungodly country. Still it was all right in 1930 for the Prime Minister of Canada to send Mr. Marler to China to enter into a treaty with that country. Within my recollection and that of the oldest man in the house, we have been sending missionaries from Canada to China to christianize them. How much wheat have we sold to China as a result of Mr. Marler's visit? We have sold none, but the Argentine republic, according to this pamphlet which I have in my hand, published by the Department of Trade and Commerce under the authority of the Minister himself, in March of this year sold 2,756,000 bushels to China.

Let us proceed. Next came the second imperial conference and the British people were to impose a tax of six cents a bushel on wheat from nations outside the British commonwealth to give our wheat a preference in their market. What ever came out of that? Political effervescence number two! According to the same publication to which I have just referred, of April 23, 1934, issued under the authority of the Minister of Trade and Commerce of Canada these are the startling facts with regard to the imperial conference in connection with the sale of wheat in Great Britain. Great Britain's imports of wheat were as follows:

For ten months ending March, 1933
133,906,000 bushels

For ten months ending March, 1934
132,141,000 bushels

Or practically the same amount.

For ten months ending March, 1933

From	Bushels
Canada	75,250,939
United States	2,191,843
Argentina	15,568,360
Australia	26,165,040
Russia	3,960,702
Other countries	10,769,833

For ten months ending March, 1934

From	Bushels
Canada	46,083,447
United States	329
Argentina	29,222,056
Australia	28,430,005
Russia	14,917,986
Other countries	13,487,000

The facts are that so far as the imperial conference agreement was concerned, this country sold Great Britain 29,000,000 bushels of wheat less last year than it did the year before and the difference was taken largely from Australia, Argentina and Russia. No wonder the right hon. leader of the government said when speaking in London in December, 1932, in connection with the imperial conference agreements that they should be considered rather in the light of the hope they offered for the future than in present accomplishments. I recall one of the Proverbs that says, "Hope deferred maketh the heart sick." The hearts of the Canadian producers of wheat are sick at the present time.

Next we had the world conference to settle the matter of wheat, with some fifty nations present. Notwithstanding the fact that the

Prime Minister of this country had given a bonus of five cents a bushel to the western Canada wheat growers two years previously, he now says we have too much wheat in the world, and the idea is to cut down the acreage. Well, two thousand years ago the greatest man that ever trod this earth, speaking in Judea said, as recorded in St. John's gospel: "I am come that they might have life, and that they might have it more abundantly." Now we have the spectacle of the Prime Minister of this country addressing the Young Canadians in Winnipeg and saying in effect, that is all wrong, what our blessed Lord and Saviour should have said was, I am come that they might have life and have it less abundantly. We now have before this house that monstrosity the marketing bill in connection with our agricultural produce, a cross between Russian soviet socialism as sponsored by the hon. member for Winnipeg North Centre (Mr. Woodsworth) and a Mussolini dictatorship as sponsored by the right hon. leader of this government. In 1929, $1,388,000,000 in value of exports from Canada, and in 1934, $480,000,000 tells the tale as far as this government is concerned.

That is one side of the picture. Let us look at the other. As I said before, this government kept two of its promises: calling parliament together and increasing the tariff. Right after they increased the tariff in 1930, one of the leading government newspapers of Belgium, in January, 1931, published an editorial, which I want to put on Hansard to make the record complete:

> Just previous to his departure for the imperial conference in London, Mr. Bennett brought down in the Canadian house a bill dealing with the tariff. The tariff changes which were immediately put into force were adopted by the Canadian parliament. It is of some interest to Belgium whose exchanges with Canada have favourably developed in the course of these last years, to examine the situation and to bring out somewhat the point. . . .
>
> We learn, moreover, that Belgium is, with the exception of Great Britain, its best European customer in the purchasing of wheat, oats and barley, and ranks second or third of all Canada's clients in the purchasing of these products; that it absorbs almost the total Canadian output of zinc ore and the greater portion of that of asbestos. . . .
>
> Belgium can therefore not remain indifferent to Mr. Bennett's projected legislation of a distinctly protective character, and making for a complete revision of the Canadian customs tariff. It surely would be hardly conceivable that she should continue to be one of the best customers of a country which deliberately closes its doors to her products.
>
> . . . Canada is not the only country which produces wheat, oats, barley, asbestos and zinc ore. There is no reason why Belgium should not supply herself with these articles on markets which are more friendly to her productions.

That was the attitude of Belgium in January, 1931 following the increase of tariffs by this government in the special session in September, 1930. And thirty-seven other nations followed the lead of Belgium in retaliatory measures against Canada. Let me put some of them on record. My hon. friend the Minister of Justice (Mr. Guthrie) speaking at Guelph a few nights ago, said that no country had increased its tariff against Canada since the present government came into office, with the exception of duties levied on three small items by the Hoover administration in the United States. Let me put the facts on record. The fact is that thirty-seven nations retaliated against this country, among them are Esthonia, Siam, Poland, Germany, New Zealand, Mexico, Czechoslovakia, the Bahamas, Italy, France, the Argentine, Cuba, St. Vincent, St. Lucia, Colombia, India, Norway, China, Bolivia, Denmark, Uruguay, Greece, Switzerland, Belgium, the United States, the Netherlands, Jugoslavia, South Africa, Sweden and the Irish Free State. Let us examine some of these and learn the correctness of the statement made by the Minister of Justice that no country had increased its tariff against Canada since this government came into office.

Siam increased its tariff on tinned meats, fish, vegetables and fruits from 5 per cent to 20 per cent in February, 1931.

Esthonia increased its tariff on wheat, on March 26, 1931.

Poland increased its tariff against Canada on wheat, rye, oats, barley, rye flour, wheat flour, and rolled oats in March, 1931.

Germany increased its tariff against Canada on oats, hogs, fresh and frozen meat, and preserved meats, on April 30, 1931.

New Zealand increased its tariff against Canada on gum boots; newsprint and other paper; wire, including barbed wire, from free to 22½ per cent on June 2, 1931, and on all other commodities from the preferential tariff to the general tariff.

Mexico increased its tariff on timber; aluminium wire and cable, bars, rods and sheets; pipes and tubing; butter, cheese, wheat and flour on May 3, 1931.

Czechoslovakia increased its duties on hogs in May, 1931.

The Bahamas increased the tariff on beans and peas, from 9 cents a bushel to 36 cents

per hundredweight, and on some metal and mechanical goods, fresh meats and potatoes, on May 28, 1931.

Italy increased its duties against Canada on radios, and radio-electric and other materials, salmon and canned shellfish, three times in one year, on June 17, September 30, and October 3, 1931.

France increased its duties against Canada on canned salmon, hams, condensed milk, milk powder, cheese, rubber goods, boots and shoes, and belting, and all canned goods, four different times in the year 1931; on June 30, November 10, November 19, and December 10.

The Argentine increased its duties against Canadian wrapping paper; book, writing and wall paper; sewing machines; sardines; smoked herring in boxes and kegs; cheese; and gas cooking stoves on September 21, 1931.

Cuba increased its duties against Canadian knit goods and iron piping on September 21, 1931.

St. Vincent increased its duties against Canadian electrical apparatus on July 3, 1931.

St. Lucia increased its tariff against Canadian wheat flour on September 26, 1931.

Colombia increased its tariff from 4 to 8 cents per kilogram on wheat, and at varying rates on barley, oats, wheat flour, potatoes, canned vegetables, condensed milk, smoked and salted fish and rubber footwear on September 27, 1931.

India increased its duties against artificial silk piece goods, silk yarns and threads, and electric bulbs on September 30, 1931.

Norway placed timber on an import permit basis on July 17, 1931.

China increased duties against all Canadian products on December 1, 1931.

Bolivia restricted bills of exchange against all Canadian goods on October 9, 1931.

Denmark increased the duties on Canadian apples from 12 cents to 60 cents per hundredweight on October 19, 1931.

Uruguay increased her duties against Canadian products, including potatoes, on October 10, 1931, and again on October 22.

Greece increased her duties on November 28, 1931, on all commodities.

Switzerland increased the duty on building board on November 17, 1931.

Belgium increased her duties on cattle, meats, frozen or fresh, butter, etc., on November 27, and December 7, 1931.

The United States, Switzerland, Jugoslavia and South Africa all increased their tariffs against Canada, South Africa four times in the one year, on April 15, June 8, October 29 and December 13, 1931. That is the tariff warfare that has been going on between this and other countries of the world during the last four years. I understand that my hon. friend the Minister of Justice said there were only a few items on which there had been increases, but I have given the list which was compiled after a very careful and exhaustive study of the commercial intelligence journals covering 1930 and 1931.

Mr. GUTHRIE: I think my statement still holds. I said the important trading countries of the world had all increased their tariffs before this government came into power and that, with the exception of the United States, none of the great countries had increased their tariffs against Canada since that time.

Mr. McPHEE: Just in reply to my hon. friend may I say that I have here a document which I received only two days ago from the foreign tariff branch of the Department of Trade and Commerce, in reference to wheat. In 1929, Italy had a duty of 74 cents per bushel against Canadian wheat, and on August 19, 1931, that duty was increased to $1.07 per bushel. That is just one item. The whole cause of the difficulty is that we have been on a rampage of tariff warfare ever since 1930, when the blasting process began, and the trouble is that there are too many governments in the world of the same mentality as the government we see opposite. There are warehouses in India filled with jute, warehouses in Australia filled with wool, warehouses in Brazil filled with coffee, warehouses in China filled with rice, warehouses in the United States filled with cotton—they ploughed ten million acres under last year, thinking that would solve the difficulty—and warehouses in Canada filled with wheat. There are millions of people throughout the world starving for these very commodities, yet we have a government that in effect says that after all trade is not the difficulty. Our oceans were meant to be the means of conveying goods from the countries best fitted by providence to produce them to other countries less able to produce them, and to bring back the goods produced in those other countries in exchange.

Now we come to the budget resolutions. I must hurry along, but I want to consider very briefly some of the relief proposed by this government for the condition in which we find ourselves to-day. I have here the tariff resolutions submitted by my hon. friend the Minister of Finance, in which I find

several interesting items. The first is dried blood. Well, my friend the Minister of Trade and Commerce has dried up many of the arteries of trade in this country and bids fair to dry up all the arteries, human and otherwise, so I do not understand why dried blood should be on the free list. The next item I find is beads used in the manufacture of pearls. How interesting it will be to the great mass of farmers in western Canada to learn that beads for the manufacture of pearls are to be admitted to Canada free of duty. Then I see that gold or silver wire for ornamental purposes is placed on the free list from Great Britain, while the tariff with regard to other countries is reduced very considerably. What about barbed wire, which still pays a duty of ten per cent though it came into Canada free of duty from the days of the Laurier-Fielding tariff in 1897 until the advent to power of this government? Barbed wire still pays that duty, but under this budget gold and silver wire for ornamental purposes is to be admitted into Canada free of duty. I should like to page the Minister of Agriculture (Mr. Weir), who shed burning tears on behalf of the western agriculturists and the dairymen and dairy maids in 1930. I should like to ask where he was when this iniquity was about to be perpetrated upon the western farmers. Barbed wire is still taxed ten per cent; cream separators, which came into Canada free of duty from 1897 until this government took office, pay a duty of 25 per cent. Where is the relief in connection with cream separators and barbed wire? But we are told that beads for making pearls, dried blood, cricket balls, gold and silver wire and so on are to be admitted into Canada free of duty.

Here is another item that is even more interesting. Electric dry shaving machines are to be admitted free of duty. Cream separators carry a duty of 25 per cent; barbed wire and binder twine are taxed, but electric dry shaving machines come in free. I am sorry to say, Mr. Speaker, that at the present time in our part of the country we have Bennett buggies, the old cars to which are hitched teams of horses for the motive power, we have Bennett carts, the cars cut in two, with a pair of shafts attached to form a sulky, and again the horse furnishes the motive power. We have Bennett shoes made of binder twine cut from the sheaves and now, according to the press of western Canada, we have Bennett braces, made from the inner tubes of automobile tires. And we are told that electric dry shaving machines may be obtained by the farmers of western Canada free of duty.

Now we come to another interesting item; harps are to be admitted free of duty. Last year the bagpipes were put on the free list, in order to appeal to one class of citizens; this year harps are admitted free of duty, presumably in an appeal to another class of citizens. If the legal principle that the greater includes the lesser does not apply I suppose my hon. friend the Minister of Finance will move an amendment to this item to provide that jew's-harps be admitted free also to appeal to another worthy class. To me, Mr. Speaker, harps suggest the judgment day, and I presume that in this item my hon. friends are referring to their political judgment day. If that is not the case may I hope that their final destination may be that land referred to in Revelations where the harpers harp with their harps, and that when they reach the other shore and touch with their finger tips the ivory gates and golden they may not carry out their earthly policy of putting high, retaliatory or even discriminatory tariffs against the import of their former fellow Canadians.

Let us put side by side with those items—the dried blood and so forth—this item: On September 11, 1933, duty was paid on a shipment from Great Britain of thirteen dozen woollen socks valued at £4 10s. 7d., or $22 in Canadian money, as follows:

Rate, 30 per cent, less 10 per cent,	$ 5.94
Plus 75 cents a dozen, less 10 per cent..	8.78
	$14.72

Add the $22 to the $14.72 and you get $36.72. On that, as the custom return shows, the sales tax of 6 per cent was imposed, amounting to $2.20; also the excise tax of 3 per cent, amounting to $1.10. That made a total duty of $18.02 on an importation valued at $22, or a duty of 82 per cent on socks, one of the necessities of life to the Canadian farmer. It is all right, according to the government, to reduce the duties on electric dry shaving machines, dried blood and other items, but what about the goods that are a necessity to the farmer?

The Prime Minister, speaking in Lethbridge, said, "I am neither a high tariff man nor a low tariff man. I am one of those who will utilize the tariff as an instrument of government to save our country from destruction and maintain our position and integrity in the markets of the world." Well, Mr. Speaker, if this is saving us from destruction and maintaining our position and integrity in the markets of the world, then all I can say is God help Canada.

While the Minister of Trade and Commerce was speaking I turned over my file and found a letter that had been addressed to him from a merchant in my constituency, and if the minister or the government had taken any action on the matter brought up in that letter it would have helped the people of western Canada. I am sorry the minister is not now in his seat. This letter is written by a merchant in my home city, and is addressed to the Minister of Trade and Commerce. It reads:

As a member of the Merchants Consolidated Limited I am advised by them that the Welland Vale Manufacturing Company have refused to sell them harvest tools for the reason that they have two large wholesale houses in Winnipeg distributing for them in the west.

The Merchants Consolidated have a large number of members throughout the west, and they handle hardware, groceries, boots and shoes and dry goods. If the Welland Vale Company refuse to sell them, where are they going to buy harvest tools? On account of tariffs this company find it difficult to bring in tools from other countries.

Some relief could have been given to the farmers of western Canada if this letter from the Yorkton merchant had been acted upon. The subject he mentioned was deserving of more consideration than harps or dried blood and the other items I have mentioned.

What is the solution, Mr. Speaker? The solution is a reasonable adjustment between debtor and creditor in this country, a reasonable reduction in the rate of interest to the farmers of the country and a tearing down of the iniquitous tariff walls that have been built up around Canada in the last three or four years. Perhaps I cannot do better than to put on record the words of a man better able to express himself than I can? Mr. Owen D. Young, of the United States, the author of the Young plan, and one who took a prominent part in the last presidential election in the United States as a supporter of Mr. Roosevelt. Here is one paragraph from an address that he delivered a few days before the election:

With the currencies abroad broken, with our own economic machinery threatened and endangered, with debts both domestic and foreign in every land crushing their people, it is time that liberal parties came into power to save conservatives from their own destruction, and to save the rest of us who are victims too. Not until then will our surplus cotton move from the plantations of the south—not until then will our surplus grain and wheat move from the farms of the north—not until then will our surplus manufactures move from the factories of the country—and not until then will our surplus of labour and of commodities which now economically crush us, disappear. It is the restoration of trade alone which holds not only the economic but the social salvation of the world.

[Mr. McPhee.]

To that doctrine we on this side of the house subscribe, and if it were adopted and put into practice then my hon. friend the Minister of Finance could very well look forward with renewed hope and courage and go forward with a firmer step towards the goal of better and happier days, but that will not come to pass until government of the people by the people and for the people shall again have its full measure of fruition in the legislative enactments of a Liberal government in Canada.

Mr. F. T. SHAVER (Stormont): Mr. Speaker, I desire to add my congratulations to those that have been extended to the Minister of Finance for the budget he has presented to the House of Commons and the country. I think the people of Canada are particularly fortunate during these trying years of depression in having at the head of the Finance department a gentleman of the character and long experience and exceptional ability of the Minister of Finance.

The hon. member who preceded me (Mr. McPhee) devoted the greater part of his speech to a criticism of the government because they had not, so he claimed, opened foreign channels of trade, and because certain markets had been closed against Canadian products. I think his speech was answered in its entirety before he made it by the speech delivered by the Minister of Trade and Commerce (Mr. Stevens), who showed very conclusively from the official records of Canadian trade that it was during the years hon. gentlemen opposite were in power that foreign markets were lost to a very great extent, and that so far as natural products from Canada were concerned many of the products of Canadian farms and forests were being exported to other countries in much larger quantities during the past year than when hon. gentlemen opposite were in power.

My hon. friend from Yorkton (Mr. McPhee) referred to a few countries that had raised their duties against Canadian products, but the great majority of the products he mentioned are not natural products at all. He said that Italy had increased her duties against radios and radio parts. But those are not produced on the farms in Canada. He said that Cuba had raised her duties against knit goods and iron piping, and that India had raised her duties against artificial knit goods, and so on. Nearly all the items he mentioned were manufactured articles, not natural products at all, on which duties had been imposed by other countries. He said that Norway had raised her duties against Cana-

dian timber, but the Minister of Trade and Commerce showed that last year the exports of timber from Canada had increased by a very large amount over 1930.

The Minister of Finance was able to paint a rather optimistic picture of Canada's position at the present time, and I think that it was entirely justified by the conditions that exist to-day. The fact that we had a total increase in trade last year of $132,000,000 over the preceding year; the fact that Canada leads the world in per capita export trade; the fact that we had an increase in manufacturing production and, in railway revenues, and a gradual upward trend in commodity prices, all help the people of Canada to realize that the dark clouds of depression are passing away and that brighter days are with us.

I shall not attempt to deal with the whole speech made by the hon. member for Shelburne-Yarmouth (Mr. Ralston) as I believe it was answered very conclusively by the Minister of Trade and Commerce. However, there was one point he made in his speech to which I should like to refer. He moved an amendment couched in these words:

> This house regrets that the proposals of the Minister of Finance give no indication of the intention of the government to abandon the policies of economic nationalism which have proved so disastrous to Canada's trade.

A little earlier in his speech, dealing with the reduction in the drawback which the government was introducing in the budget in connection with foreign coal used in Canada for certain purposes, he made this observation:

> If it means that there is to be a further restriction with regard to competing American coal, then so far as I am concerned, coming as I do from Nova Scotia, I welcome it because if there is to be a policy of protection the natural product of Nova Scotia as well as of other provinces should be protected, particularly in view of the national interests which exist in connection with the preservation of the mines of that province.

The hon. gentleman believes in economic nationalism when it is applied to the coal industry in Nova Scotia but he is entirely opposed to it when it is applied to the textile industry in the county which I represent.

In his contribution to the budget debate, the hon. member for Medicine Hat (Mr. Gershaw) criticized severely the protection which had been given the textile industry and the implement industry in eastern Canada. But before he finished his speech he asked the government to give special consideration to the beet sugar industry which I assume is located in his own constituency or in his own part of the country. He asked that the government should give freight protection and by implication asked for a subsidy to that industry, because he quoted the subsidies which had been paid over a period of years by Great Britain. That hon. gentleman believes in a policy of economic nationalism as applied to the beet sugar industry in his own county, but he is entirely opposed to it when it is applied to the textile industry in my county.

The hon. member for New Westminster (Mr. Reid) has condemned time and again the existing tariff protection enjoyed by the industries of eastern Canada, but he has a resolution on the order paper protesting against the use of oriental labour in the shipping on the Pacific coast. He asks that this employment should be confined entirely to Canadian white citizens. The hon. gentleman is quite satisfied to have protection against oriental labour but he is willing that we should permit goods to come in from oriental countries manufactured under living conditions which Canadian people should not be expected to adopt and which we would not want them to endure. He is quite willing to allow such goods to come into Canada to compete with the products of the textile and other industries in the county which I represent. And this attitude is to be found among Liberal members from one end of the country to the other. When hon. gentlemen of the Liberal opposition talk about economic nationalism they always apply it to an industry which exists in some other part of the country, but they are quite satisfied that industries in their own sections should receive protection, either by way of freight rates, subsidies or tariffs. They cannot be accused of believing in a policy of economic nationalism, but they give a very clear demonstration that they are devoted to a policy of economic sectionalism.

During the years it has been in office this government has rendered outstanding service to the Canadian people, but to no section of the people have they given better service than to the farmers. No government since confederation has rendered a more extended service to the agricultural interests of our country than has the present government during the years it has been in office. The protection which has been given to agricultural products; the empire agreements, which were strenuously opposed by hon. gentlemen opposite, and the marketing bill, one of the most forward looking and progressive pieces of legislation ever introduced into the parliament of Canada, have all been opposed by hon. gentlemen opposite. The best evidence that the empire agreements have been of

benefit to Canada is the fact that our exports to Great Britain last year increased twenty per cent over the preceding year, while we had much larger exports to other parts of the empire. In my opinion if the marketing act is to be a success it is absolutely necessary that the government administering the act must be one which believes in and practices the principle of protection. If we do not have a protected market; if our market is liable to invasion by agricultural products from foreign countries being dumped into Canada, the work of the marketing board will be rendered very difficult indeed.

There are two particular products produced in large quantities in the part of the country which I represent, and, as I have pointed out, the tariff on these two commodities has put millions of dollars into the pockets of Canadian farmers. I refer to butter and eggs. Hon. gentlemen know that during the years the Liberal party was in power our markets were flooded continually with butter from New Zealand. There was always a spread running from 6 to 10 cents per pound between the Montreal and New York prices, the New York prices being the higher. At that time our prices kept down quite closely to the London prices. In 1933 when butter was receiving the protection to which it was entitled, the average price in New York was 23·7 per pound; in Montreal, 21 cents a pound and in London, 16·8 per pound. Without protection I have no doubt that the Montreal price would have approximated very closely the London price, making a difference of at least 5 cents per pound in what the Canadian farmer would have received. We all know that during the winter months the price has been much higher in Montreal than it was in New York, and from 11 to 13 cents per pound higher than it was in London. In January the price in Montreal was 25·2 cents per pound, in London, 14·4 cents per pound, and New York, 20 cents per pound. In February the price in Montreal was 27·8 cents; in London, 15 cents and in New York 25·8 cents. In March the price in Montreal was 29·5 cents, in London, 16·2 cents and in New York, 26·5 cents. The only hon. member who has attempted to explain away these facts is the hon. member for Prescott (Mr. Bertrand). During an address which he gave recently in the house he stated that the farmer of eastern Canada was not assisted because he produced very little butter during the winter. I wonder if the hon. gentleman took pains to find out how much butter was actually produced? I did, and I found that in December, January, February and March the farmers of Canada produced 33,000,000 pounds of butter. Because of the tariff, the value of this butter was enhanced by at least 5 cents per pound, so that $1,650,000 was put into the pockets of the farmers of Canada.

The same is true with eggs. We all know that during the regime of hon. gentlemen opposite our market was flooded continually during the winter months with eggs from the United States. There was always a slump in prices during the winter months and the farmer never expected to get a reasonable price for his eggs during a period when it cost him the most to produce them. Because of a reasonable measure of protection and the initiative and energy of the Minister of Agriculture (Mr. Weir), who was instrumental last fall in having 2,000,000 dozen storage eggs shipped out of Canada to the British markets, thus taking them out of competition with fresh eggs during the winter months, we find that during the past winter the farmer has received exceptionally good prices for his eggs. When hon. gentlemen opposite were in power eggs were always imported into Canada by way of Chicago. On February 28 the top price in Chicago was 20 cents per dozen while the price in Montreal was 45 cents per dozen. On March 21 the top price in Chicago was 17 cents per dozen, while the price in Montreal was 25 cents.

The production of hogs is a large industry in eastern Ontario, the part of the province in which I live. The empire agreements, which were opposed in their entirety by hon. gentlemen opposite, have been of tremendous value in giving to the hog producers of Canada a larger share of the British market as well as better prices. We have only to compare the price in Chicago with the price in Montreal to see how the Canadian price has improved. On February 28 the price in Chicago for choice hogs was $4.80 per hundredweight, whereas in Montreal it was $10. On March 21 the price in Chicago was $4.40 and in Montreal $8.75. On April 28, just a few days ago, the top price in Chicago was $3.90 and in Montreal $9.10.

The only gentleman on the opposite side who attempted to explain away the facts was the hon. member for Willow Bunch (Mr. Donnelly), who not long ago, admitting that hogs had doubled in price in Canada as compared with the United States, brought forward this fantastic argument, that the United States did not produce bacon hogs but produced a short, thick, fat animal used chiefly in the production of lard. May I direct the attention of hon. gentlemen opposite to the fact that back in 1930, the last year they were in power, the United States, the country which the hon. member for Willow Bunch

tells us does not produce a bacon type hog, exported to the United Kingdom 145,472,302 pounds of bacon and hams while Canada exported in that year to the United Kingdom 13,011,400 pounds. The agreements with the United Kingdom came into effect in the fall of 1932, and if you compare the figures for 1930, of Canada's exports to the United Kingdom, with the figures for 1933, you will find that they had risen to 71,524,700, or five and one-half times what they were in 1930; whereas the exports of the United States to the United Kingdom had dropped to 73,355,663, or about half what they were in 1930.

That shows clearly the value of an assured market so far as that product is concerned, and it disposes effectually of the fantastic argument of my hon. friend, that the country to the south of us, with millions of farmers, does not produce bacon hogs.

With one product which the farms of eastern Canada produce, the marketing board, as so ably pointed out in his excellent speech the other evening by the hon. member for Queens (Mr. Myers), will be able to do a great deal, and that is cheese. We are constantly on an export market with regard to cheese, because in 1933 we consumed only 27·6 of the cheese produced in Canada and exported 72·4 per cent. There has been a continually low price for cheese and it has been a difficult problem with many farmers in my own county. The fact is that we have been on an export market and I believe that the marketing board, by assisting in curing, storing and in giving a regulated supply to the British market, will have a considerable effect in helping the farmers in this very important industry.

I have reviewed very briefly a few of the agricultural items in which the farmers in my own county are interested. We admit that the prices of farm products have been low. But the prices of basic commodities throughout the world have been low, and Canada has shared in those low prices. It can be said without fear of contradiction however that the policy which this government has so far put into effect has been of great value in keeping prices at a better level as regards the commodities which I have mentioned than they would have been had not this policy been put into force. And while, as I sincerely believe, the farmers of my own county have benefited by the policy of the government, I am glad to be able to say that the Cornwall industries also have been assisted in that county by that policy.

In this connection I would read a paragraph or two from an editorial that appeared in the Cornwall Standard-Freeholder of Wednesday, February 14, 1934. It is headed "Cornwall is in the Limelight" and reads:

> Believe it or not, the name of Cornwall is a magic word throughout Ontario to-day. Because of its rapid recovery from the effects of depression, Cornwall is occupying an enviable position among cities and towns of the province.
>
> Wherever one goes, the comment is always the same—"You are from Cornwall? Things are booming down your way, aren't they?"
>
> It gives one a feeling of justifiable pride to hear admiring and sometimes envious remarks about Cornwall. We know that our industries are working at capacity, that employment to-day is actually greater than it was in the boom year of 1928, that relief is no longer necessary, that new factories are locating here, that Cornwall is experiencing a period of unparalleled expansion while other cities and towns are just beginning to shake off the fetters of business stagnation.

There are various reasons for the prosperity of this large industrial town. One reason is that we have not all our industrial eggs in one basket. We have diversified industries and a splendid class of working people, both French and English, who for intelligence, industry and devotion to duty are unsurpassed by the working people of any section of Canada or on the North American continent. We have three railways and boat service located on the St. Lawrence, electric power at reasonable rates, and our street railway furnishes a switching service which is very efficient and helpful to various industries. We have also an efficient and active board of trade and city council. But notwithstanding all these factors, the most important, and the one that has contributed more than anything else to the success of industry in Cornwall, is the assistance which has been given by the tariff policy of the present government.

I have referred in this house on previous occasions to the additions that have been made to Courtauld's plant since this government came into power. This firm is a large manufacturer of rayon, and when this government came into power, in the short session of 1930, one of their first acts was to give this and various other industries in Canada the protection to which they were entitled, in order that they might maintain a large number of working people and pay them reasonable wages. This industry in 1930 was employing about 1,000 people. Immediately after the tariff policy of this government came into effect they began the construction of an addition to their plant and it

was finished during the following year at a cost of some $3,000,000. Owing to the increased business last fall and winter they have been building another plant which is now completed at a cost of about $2,500,000. Whereas in 1930, when hon. gentlemen opposite were in power, they were employing 1,000 people, they are now employing about 1,500, and with the new addition to the plant they will be employing in a few weeks' time about 2,000. In other words, there will have been an increase in employment in that one industry alone in four years of one hundred per cent.

We have another new industry, the Powdrell and Alexander concern, which is a branch of a large American firm manufacturing materials used in the making of window shades. They are employing 200 people working full time. That industry came to Cornwall because of exceptional advantages the town offered, but it first had to decide to come into Canada, and it did so because of the tariff policy of the present government. Then there are three cotton mills which found it necessary two months ago to put on a night shift in one of the mills and to take on 130 additional people. In conversation with representatives of the clothing industry, I have been informed that this business has been better in the past few months than for some time previously. The manufacturers of metal beds, of which there is an industry in Cornwall, have also benefited by the policy of the government. We have two paper mills which manufacture fine book paper used in the publication of magazines. It will be recalled that hon. gentlemen opposite when they were in power put into effect tariff item No. 1060, which permitted magazine publishers in Canada to import book paper of this type, giving them a rebate of eighty per cent. The result was that some of our Canadian magazines were using paper manufactured in the United States, so that in 1930, the last year hon. gentlemen opposite were in power, we imported 6,346,282 pounds of that type of book paper for magazines from the United States. In 1932, because that tariff item was struck out by the present government when they came into power and the duty went up immediately to the old figure of 25 per cent, we imported only 50,352 pounds. These magazine companies are now buying large quantities of paper from the mills in my constituency. In addition to that, three years ago this government put into effect a duty on United States magazines forcing the publishers of many of them to establish Canadian editions and to print them in Canada. They have largely been using Canadian paper. One company which publishes a group of magazines and which started to use Canadian paper just a few months ago is now using Canadian book paper at the rate of 2,000 tons yearly, which would take the output for sixty-seven days of the largest paper machine used in Canada.

I wish to draw to the attention of the house how plant extension of a successful industry helps others. I mentioned the large addition which Courtaulds made to their plant in Cornwall in 1933 and 1934 and which cost in the neighbourhood of $2,500,000. For the construction of that plant they used 893 carloads of materials coming from widely separated points in Canada. Let me cite a few of them:

Material—	Point of origin	Number of cars
Sand	St. Emelie, P.Q.	242
Stone	Joliette, P.Q.	204
Cement	Montreal	77
Brick	Laprairie, P.Q.	33
Haydite blocks	Outremont, P.Q.	28
Reinforcing steel	Sault Ste. Marie	10
Structural steel	Lachine	68
Roof slabs	Cooksville, Ont.	20

And so on with a number of similar items, the whole totalling 893 carloads. In addition to that they used in the neighbourhood of 200 carloads of machinery, and every possible article they could purchase in Canada was bought in this country. For instance, one item alone, three carloads of equipment coming from Galt, was valued at about $115,000. Another item of three carloads of electrical equipment coming from Toronto was valued at $180,000. This merely goes to show the advantage to the country of having successful industries; it is not only the people they employ in their own industry but the fact that they give employment to thousands of people in secondary industries in all parts of the country. All these people employed in the secondary industries are consumers of

Canadian farm products. The Minister of Trade and Commerce has pointed out that the most important market for our farm products is our home market. It is of course absolutely necessary that we build up our export trade because we have always a surplus to export to the markets of the world, but our primary market is right here in Canada. I am informed that of our gross agricultural production we consume eighty-five per cent and export fifteen per cent. If we leave out those two great commodities of wheat and cheese, the greater proportion of our production of which we export, we consume in the dominion ninety-six per cent and export four per cent of all other farm products.

During the years this government has been in office, and since it gave to the industries of Canada the protection to which they were entitled, no other industry has been attacked to the same extent as has the textile industry. Hon. gentlemen opposite have used up hundreds of pages of Hansard in attacking that industry; they have poured the vials of their wrath to a very great extent upon the textile manufacturer. They have tried to point out that he was bleeding the people of western Canada, forgetting all the time that textile manufacturers employ thousands of people who are Canadian citizens just as much as any other producer in Canada and who have a right to a decent day's work and to receive a decent day's pay. The policy of the present government has, since it has been put into effect, assisted very materially the textile industry in the county which I represent. That industry is one of the oldest in Canada. First there was wool, then the manufacture of cotton, later on the manufacture of silk and during the last few years the synthetic product, rayon. The first cotton mill was established at Sherbrooke, Quebec, in 1844; the second at Thorold, Ontario, in 1847. In 1885, nearly half a century ago, there were 107 completely equipped woollen mills and twenty-two completely equipped cotton mills in Canada, operating 10,900 looms and 531,350 spindles. That has grown until in the calendar year 1932, in the industries in the textile group there are 2,002 establishments with capital invested of $321,593,062, with 102,116 employees receiving in salaries and wages $82,817,944 and a total value of production of $274,411,736. If I might be permitted I would like to put on Hansard this chart giving in detail the different types of Canadian textile industries:

Calendar year 1932	No. of establishments	Capital invested	No. of employees	Salaries and wages	Total value of production
		$		$	$
Cotton textiles	95	79,785,322	16,818	13,161,177	45,351,012
Woollen textiles	130	42,539,722	8,586	7,121,340	23,301,015
Silk, rayon and products	24	28,012,412	7,036	5,756,865	19,864,843
Dyeing and finishing	19	4,688,350	762	804,100	2,537,348
Knitted goods	177	53,159,883	17,828	13,588,157	43,613,331
Garment trades	1,037	59,336,058	36,196	29,418,130	102,234,830
Miscellaneous textiles	111	29,169,201	3,720	3,947,734	19,606,578
Dyeing, cleaning and laundry	409	24,893,114	11,170	9,020,441	17,302,779
Total	2,002	321,593,062	102,116	82,817,944	274,411,736

The hon. member for Regina (Mr. Turnbull) in a speech which he delivered not long ago, disposed very effectively of the argument submitted by hon. gentlemen opposite, and particularly that of the hon. member for West Edmonton (Mr. Stewart), who pointed out the excess of protection which he claimed the textile industry was receiving. I had had those figures worked out from an independent source just a few weeks prior to the speech delivered by the hon. member for Regina, but I merely wish to quote these on two particular kinds of cotton fabrics manufactured in my constituency. In regard to cotton print piece goods the hon. member for West Edmonton gave the actual duty collected as being 58.5 per cent. The correct figure is 26.35 per cent. For white flannelette he gave 52 per cent as being the actual duty collected. The correct figure is 25.9 per cent. One could draw from every speech made on the budget by members of the official opposition and many others made by them the inference that the effect of the tariff policy of this government has been so to curtail importations from Great Britain that the British people in return are not buying so much of our Canadian farm products. That does not apply to the textile industry, as I shall be able to prove with the figures which I have under my hand and which I would like to place on Hansard. This

is a statement of the exports of cotton piece goods and cotton yarn from the United Kingdom to Canada for the years ending 31st December, 1931, 1932 and 1933, showing conclusively that the empire agreements had materially assisted the textile manufacturers of Great Britain, because if we compare 1933 with either 1932 or 1931 the exportation of cotton piece goods from Great Britain to Canada increased by 68 per cent and there was a corresponding increase in the exportation of cotton yarn from Great Britain to Canada. With the permission of the house I should like to place this table on Hansard.

Exports of Cotton Piece Goods and Cotton Yarn from the United Kingdom to Canada

for years ending 31st December*

	1931	1932	1933	1931	1932	1933
	Sq. yds.	Sq. yds.	Sq. yds.	Pounds Sterling	Pounds Sterling	Pounds Sterling
Grey cotton piece goods.....	5,634,000	2,472,100	14,764,100	59,034	34,638	126,643
Bleached cotton piece goods...	6,140,400	6,944,600	11,608,000	164,507	170,211	194,019
Printed cotton piece goods.....	7,507,600	7,859,400	7,435,000	209,588	199,514	184,997
Cotton piece goods dyed in piece.....	6,923,900	8,554,200	10,897,600	258,615	275,769	325,786
Coloured cottons (wholly or part of dyed yarn).....	1,575,200	1,407,500	1,999,400	52,426	42,314	60,043
			68% increase			
Total of all kinds cotton piece goods.....	27,781,100	27,237,800	46,704,100	744,170	722,446	891,488
	Lbs.	Lbs.	Lbs.	Pounds Sterling	Pounds Sterling	Pounds Sterling
Cotton yarn.....	1,573,500	2,048,500	3,034,700	186,025	227,238	330,704

* As supplied by the Board of Trade to the Manchester Chamber of Commerce.

I note in the budget which has been brought down there is a reduction of one and one-half per cent in the excise tax on British imports; which is an additional sacrifice that will have to be made by Canadian manufacturers. I am firmly in favour of the Canadian textile manufacturer and every other manufacturer getting the protection to which they are entitled, and I speak more particularly on behalf not only of the manufacturer himself, although he deserves credit, but also of the thousands of men and women who are employed in these industries and for whom the policy of the present government has done so much to enable them to obtain regular employment and decent wages.

The official opposition have continuously attacked the manufacturing industries of Canada. I wish to draw their attention to the fact that according to the census returns there were in 1931, of those ten years of age and over gainfully employed in the manufacturing industries of Canada, 442,759 men and women. Yet hon. gentlemen opposite continue to maintain that these industries are receiving too much protection, that in fact they are not entitled to so much consideration. There was a time when voices were raised from the liberal benches on behalf of the manufacturing industries of Canada. I can recall years ago when there were men from both Ontario and Quebec who did not sit so quietly and listen to their colleagues attack the manufacturing industries; knowing as they did their importance in the economic life of Canada they were always ready to rise to their defence. Sir Lomer Gouin, one of Canada's great men from Quebec in the years gone by, more than once defended the industries of Canada. Prior to my time in the house I remember reading speeches of the hon. member for North Waterloo (Mr. Euler), who comes from an industrial section of Ontario, and who was ready to rise in defence of the industries of Ontario and Quebec. But those voices are silent now; there is no one in the Liberal opposition to defend these industries which are so important in our industrial life. I want to ask hon. gentlemen opposite a question. Their leader has told us—I have quoted this before, you will find it on pages 263-4 of Hansard for the fall session of 1932—that if he were returned

to power one of his first acts would be to restore the Liberal tariff as it was when they went out of office and increase the British preference to an average of fifty per cent of the general tariff. What would happen to the industries of eastern Canada if that policy were put into effect? I know what would happen in my constituency; at least 1,500 people would be thrown out of work inside of six months or a year. I want to ask hon. gentlemen opposite what they propose to do for these men and women that they would throw out of employment. Are they going to take them out to the wheat fields of western Canada to grow more wheat to add to our already large surplus?

The policy of the party now in power, the policy of this government, is a truly national policy which aims to help all sections of Canada, and I believe in that policy. I believe that Nova Scotia coal and fish from the maritime province should be used by the Canadian people to the largest possible extent. I believe we should use all the beet sugar we possibly can to give aid to the beet sugar industry. I have bought and sold many thousands of pounds of beet sugar in my time, and I was glad to do it because I looked upon it as a one hundred per cent Canadian product. I believe we should give a preference to white sailors in British Columbia rather than to foreigners. But I also believe that the industries in my part of the country should receive the same consideration from hon. gentlemen from other parts of the country that I am willing to accord to theirs.

I think it can be safely said that Canada is coming through this depression as well as if not better than any other country. I attribute that to three reasons. The first is the character of the Canadian people. Coming from the great parent races, British and French, reinforced by the very best which the nations of Europe had to offer, our fathers were a pioneer stock and they have transmitted to the Canadians of to-day those pioneer characteristics of courage, determination and energy and the will to overcome difficulties which I believe have been great factors in helping our people through these trying times. The second reason is the abundant natural resources which we possess, greater I think than those entrusted to any other nation of ten million people in the world. The third reason, and just as important as the other two, is the fact that we have been singularly fortunate in having at the head of affairs in Canada during these difficult years a statesman who is the epitome of all the best characteristics which the Canadian people possess, that in the Prime Minister of Canada we have one who demonstrates in his life these characteristics of determination, the will to succeed, the ability to overcome difficulties, the greatest heritage that our pioneer forefathers have handed down to us. I believe also we are fortunate in that in his cabinet he has surrounded himself with a group of men of the same type, men who during these trying years have been devoted to the interests of the Canadian people. An article by Isaac F. Marcosson published in a January issue of the Saturday Evening Post, entitled "North of the N.R.A.," has often been quoted before, but I would like to direct the attention of the house to it, because it is an article that every Canadian should read. The writer is a disinterested and trained observer who has spent many years in travelling and studying the conditions in various countries and has fitted himself to form a clear and accurate judgment of those conditions and the reasons why they exist. In that article he gives a very high place to Canada among the nations of the world for the way in which she has survived the difficulties by which she has been beset, and he gives the reasons I have enumerated, namely, the character of the Canadian people, our abundant natural resources, and the fact that we have been fortunate in having at the head of affairs a statesman and government who have devoted their very great abilities to the best interests of our country.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. J. A. MacMILLAN (Mackenzie): Mr. Speaker, at the very outset I desire to extend my felicitations to the Minister of Finance (Mr. Rhodes) on the very pleasant manner in which he delivered his budget speech. He spoke for about an hour and forty minutes and during that whole time he wore a smile. I think there is only one explanation for the fact that he smiled while delivering a budget speech of the kind that he did deliver; it must be a perpetual smile. I am truly sorry that I cannot compliment the minister on the contents of that speech. A few days ago the hon. member for Yale (Mr. Stirling) taunted the hon. member for Hants-Kings (Mr. Ilsley) with seeing things; he said the hon. member saw boards and boards and more boards. Well, I must confess that during the last four years I have been seeing things also; I have been seeing deficits and deficits and more deficits, and about ten days ago I saw

another one. The shortfall between revenue and expenditure is becoming a fixture in this country, and it is very hard to say how long this condition will last with the tornado of indignation that is sweeping the country to-day.

It is not my intention to-night to deal with figures. The Liberal financial critic (Mr. Ralston), speaking for two hours and twenty minutes, gave all the figures that were necessary, in my opinion, in order to criticize the budget successfully. Other speakers on this side of the house who have followed have placed the government on the grill with regard to its record and policies, and I have no desire to add to the misery and discomfort of the government at this time.

I should like to congratulate the hon. member for Stormont (Mr. Shaver) on the fluency of speech which he displayed in his defence of the government this afternoon. The hon. gentleman tried to leave the impression with the house that the Liberal party entertained a certain antipathy towards the manufacturers of Canada, but such is not the case. The Liberal party is the friend of the manufacturers just as much as any other party is, but the Liberal party is not going to assist the manufacturers of Canada to the prejudice of the consumers. As a matter of fact the manufacturers were paying dividends until the Liberal party went out of office. I would also suggest to the hon. member for Stormont, who spent about half his time in eulogizing the government, that it would be a good idea to leave it to the electors to judge whether it should be a eulogy or a dirge. I have made what I think is a pretty safe guess in that respect, but I am not going to divulge that guess to the house to-night.

I do not desire, Mr. Speaker, to deal with conditions existing throughout Canada as a whole. There are hon. members in this house representing various parts of the dominion who are well able to speak for the parts they represent. I come from the province of Saskatchewan, and I am going to confine my remarks to the conditions which exist in that province. There are conditions existing in the province of Saskatchewan to-day for which no government, no party and no individual is responsible. For five successive years in parts of that province we have had drought, and last year the drought was aggravated by a plague of grasshoppers. I am not going to be so unfair as to blame any party, any government or any individual for those conditions, but that is the situation. In some respect the government are trying to do their utmost to assist those people who are in distress through no fault of their own, but

before I conclude I think I will be able to point out to the house that a great deal more could have been done by the government to assist the people of western Canada.

About the time the Liberal party went out of office in 1930 the farmers were getting good returns for their natural products. This afternoon the hon. member for Yorkton (Mr. McPhee) said that at the time this government assumed office the farmers were getting $1.08 for their wheat while the prices of other grains were in proportion. Before the present government were two years in office, however, the prices of natural products had dropped by more than fifty per cent in comparison with the prices of 1930, and that condition has continued for so long that the farmers of western Canada—and when I speak of Saskatchewan I am speaking of the three prairie provinces—are to-day on the verge of despair.

I am not going to be so vain as to say that the government are responsible for the low prices now existing, but with prices as low as they have been for the last three or four years it is necessary for the government to come to the rescue of those people to a certain extent. The debt of the farmers and the people of the west has increased by leaps and bounds during the last four years, through no fault of their own, and they are not in a position to reduce that debt or, for the last three or four years, to pay interest on it. A short time ago the hon. member for Wetaskiwin (Mr. Irvine) delivered a very able speech in this house, on the motion to go into supply, with reference to the debts of the Dominion of Canada. The Prime Minister (Mr. Bennett) replied very ably, but he laid a great deal of emphasis upon the sanctity of contracts. I am going to make the statement that the debts of this dominion, both public and private, never will be paid one hundred per cent. I do not wish to leave the impression with this house that it is with any satisfaction or delight that I make that statement. I belong to a profession that never opens its mouth except when truth is assailed or justice is to be vindicated. I have been practising that profession for eighteen years, and I know what the sancity of a contract means to me and to all persons within the British Empire. When I say these debts never will be paid I do not mean that it will be the fault of the debtor, and of course it will not be the fault of the creditor either. These debts have accumulated through no fault of the people who owe the money. Because of the conditions that have existed for the last three or four years the debtor finds himself in such a position that even if prosperity returned to-morrow it would take

him eight or ten years to get back to the position in which he was before the depression visited the country.

To give some idea of the extent to which the depression has made itself felt among the people of the province of Saskatchewan, Mr. Speaker, I am going to read an article that appeared in the Saskatoon Daily Star of December 2, 1933, just four or five months ago. One of the professors of the university of Saskatchewan, Professor E. C. Hope of the department of farm management, made a careful survey of conditions existing in that province in an attempt to arrive at some figure as to the extent to which the farmers of Saskatchewan have gone back during the last four years. After a very careful survey he says:

> To restore to the condition of 1929 the buildings, farm machinery, household equipment and clothing of the dwellers on the 136,000 farms in Saskatchewan would take a sum of at least $140,000,000.

His estimate is made up in this way:

> The farm buildings of Saskatchewan were worth $236,000,000. Professor Hope puts the wear and tear not replaced at $50,000,000.

During the last four years the farmers of Saskatchewan have not been able to keep their buildings in proper repair. The whole setback amounts to $140,000,000, and Professor Hope points out that it would cost that sum to put the buildings in the state they were in in 1929. Before the depression the district had farm machinery and equipment running from two to three thousand dollars per farm. This is now four years older and has not been replaced, and repairs have been cut down to a minimum. It is estimated that it would cost $40,000,000 to put this equipment back into shape. It is also estimated that the internal fittings of the home have deteriorated to the extent of $20,000,000, and wardrobes to the extent of $30,000,000. So in the items I have mentioned the people of the province of Saskatchewan since 1929 have gone back to the extent of $140,000,000. As I have already said, that is not the fault of the people, and it is not the fault of the government or of any individual, but this government could do something on behalf of the people. I am not going to say that they could do it by their fiscal policy. If they changed that fiscal policy it would be of immense assistance, but that alone would not be sufficient.

What is the remedy? We talk about the cancellation or repudiation of debts. The word "repudiation" has not as much terror for me to-day as it had two or three years ago, when we take into consideration the fact that the nations of the world are now repudiating their debts. We used to glory in the fact that England until a few years ago was doing her utmost to pay her war debt to the United States, but strange to say, when the British budget was brought down only a few days ago showing a surplus of some $165,000,000, it contained no provision whatsoever for meeting the war debt payments to the United States. I have this suggestion to make to the government. I understand that there is some question whether this government has the power to pass legislation with regard to a compromise between debtors and creditors, that that is considered by some to be the prerogative or under the power of the provincial government. But something definite should be done about this question of debt before parliament prorogues. Even when we had prosperity the creditor found it necessary at times to compromise with his debtor, and it is often in the interests of both creditor and debtor to effect a compromise. That is not repudiation at all. I contend that the government should do something, even if by compulsory legislation, to bring debtor and creditor together. It is in the interests not only of the debtor but of the creditor also, because to-day the creditor does not know where he stands; he cannot tell how much of his debt he is going to be able to collect, and it would be much better for him if he did know definitely because then he would be able to adjust himself accordingly.

What is the remedy? This is not an original suggestion, because I noticed that the hon. member for Wetaskiwin (Mr. Irvine) made the same suggestion a few days ago. I would say that on the debts of the people of this country, especially of western Canada, the interest should be remitted for the last few years since the depression and until prosperity is restored. If that is going too far, I would say cut the rate of interest down to at least 3½ per cent. I know the farmers. I am farming on a fairly large scale myself, and I know that there is not a class of people in this country who are more desirous of paying their debts and meeting their obligations one hundred per cent than the farmers. Naturally the farmer is an honest man, because he toils fifteen, sixteen and sometimes twenty hours a day. In the long days of summer he is on the land with the first rays of the rising sun. He is there at noon, and long after the sun has gone to rest the farmer is still toiling around his farm. He is anxious to meet his obligations to the very best of his ability, but

he simply is not able to pay his debts, and this government or any government would only be doing its duty by the people of this country if it passed legislation under which debtor and creditor could be forced to get together and compromise on their debts.

The population of Saskatchewan is less than one million. The mortgage debt of the rural portions of the province to-day approaches $200,000,000. Arrears of taxes in the province amount to about $46,000,000. The debt of the rural municipalities amounts to about $17,000,000. Together the urban and rural debt amounts to about $59,000,000, and you have a population of less than one million in the province. I am sure that similar conditions will be found in every other province in western Canada.

What I have said about debts should apply also to the debts which people owe to the banks. I am not going to undertake to criticize the banks because I understand that that is going to be done to perfection in the committee on banking and commerce to-morrow starting at ten o'clock, and it would be entirely out of place for me, an ordinary individual who does not know a great deal about banks—about the only thing I do know about finance is that I know when I am broke—to criticize the banks. I shall leave that to the committee on banking and commerce to-morrow.

But we have to use some method of paying the debt of this country. Even if we did compromise, the debt is so exorbitant that a compromise would not suffice. I have a remedy to offer, and again I find that it is not original with me; the hon. member for Winnipeg North Centre (Mr. Woodsworth) got ahead of me in this respect. I read in Hansard that he undertook to quote from some of the speeches I made in that notorious campaign which ended so disastrously for my hon. friend on the twenty-third day of October last. I believe that bond taxation should be levied against certain individuals in this country. It is to the credit of the present Prime Minister that he has always been opposed to tax exempt bonds. He was opposed to them in 1918 and 1919, and has been consistently ever since. My contention is this, that as those bonds were issued in order to induce people to invest so that the country might carry on their part in the war to a successful conclusion, the exemption from taxation should apply only to the original purchaser of the bond. It should not apply to the man who has purchased a tax exempt bond from the original holder. I have it on fairly good authority that there is one person in this dominion who is holding about $15,000,000 of victory bonds which are not subject to taxation. Such a condition should not be allowed to exist. That man should be asked to give a statement to the Minister of Finance or to the government. He could abide by the sanctity of the contract and permit whatever bonds were purchased directly to be exempt, but those purchased indirectly, from the original purchaser or through a second or third person, should have to pay a tax.

There is another remedy I intended to suggest, but the hon. member for Winnipeg North Centre (Mr. Woodsworth) got in ahead of me. Here also I refer to the conscription of wealth. I believe that the conscription of wealth is going to come as surely as the rising of to-morrow's sun. But this is nothing new; to a certain extent we already have conscription of wealth. We have the inheritance tax, the succession duty tax, and the income tax—all forms of conscription of wealth. But it should go a great deal further than that. In order that I may not be regarded as an extremist, I should like to quote from a statement made by the Honourable Philip Snowden in the House of Commons when he was chancellor of the exchequer. He said:

> Some hon. members have made a reference to the capital levy. I was a strong advocate of that proposal and I shall never cease to regret that when the time was so favourable it was not adopted. When trade depression came the opportunity had passed, but there is a way in which we can partially apply it—and I am doing that. It is this: Wartime-made fortunes, profiteering fortunes, are now coming into the estate duty. An important committee of this house has said that when millions of men were dying and exposed to death on the battlefield, a few profiteers at home increased their wealth by £4,000,000,000. I am going to get some of that back.

The same applies to Canada. The robber and the profiteer had their fling during those sad and gloomy days. I know that the Minister of Finance is good hearted. He comes from the same province from which I came and I know the temperament of the people there. However, he has a duty to perform and in all fairness to these people I submit that a survey of the wealth of this country should be made—I mean, the wealth held by individuals. Conscription of wealth should be put into force.

The Prime Minister has always laid great stress upon the sanctity of contracts. As I said I appreciate his position in that respect, but we should not forget that when the government was trying to balance its budget it did not hesitate to reduce the salaries of

the civil servants. I submit that the sanctity of contracts should have been considered in that respect. The government did not hesitate to reduce the salaries of the members of this house, of course, and of the senate, which salaries were fixed by statute. I am not whining about that, but—

Mr. DUFF: I am.

Mr. MacMILLAN (Mackenzie): The hon. member for Antigonish-Guysborough (Mr. Duff) is a different type of Scotchman to what I am. I am not whining about that at all, as I feel I should do my share to meet the obligations of this country; but, to use the vernacular, I object to being made the goat. That is all I am going to say about the debt question.

I should like to refer to the policies of the different political parties which are appealing to the country for support. Is there a political party in this country to-day which is in a position to bring about an improvement in conditions? I am not going to ask if it is the Conservative party. That party has been in office for four years and their record is exposed to the gaze of the people. The intelligent electors of this country are not going to look to the Conservative party to lead them out of the chaotic conditions in which they find themselves to-day. There are two parties left, the Liberal party and the Cooperative Commonwealth Federation. Possibly I should not discuss the policies of the Cooperative Commonwealth Federation in view of the fact that October 23 last saw the destruction not only of the party but of its policies. But they are still causing mischief in the country. Perhaps the explanation for this is that they are alive to the extent that a person is who has been condemned to die. When the sentence of death is being passed upon a man he is allowed so many days before he ascends the scaffold, in order that he may have an opportunity to prepare to meet his doom. The sentence of death was passed upon the Cooperative Commonwealth Federation on October 23, 1933, and it will be carried into effect as soon as the bugle sounds the call of duty at the polls.

Mr. MITCHELL: The hon. member has the prisoners mixed up.

Mr. MacMILLAN (Mackenzie): No, they have the mark of Cain on them. There is only one way in which to come to a conclusion as to which party will best serve the interests of the people, and that is by discussing their policies. I was astonished when the hon. member for Bow River (Mr. Garland) made the statement a few nights ago in the house that he was not a socialist. I am sorry he is not in his seat this evening, as I would like to have him explain just what he is if he is not a socialist. He not only said that he was not a socialist but he said he has never been one. What is he? He is not a Conservative, and he is not a Liberal, although I have a sneaking suspicion that nothing in the world would please him better than an invitation to join the ranks of the Liberal party. If he is not a socialist, why did he come into the constituency of Mackenzie at the last by-election in order to assist a candidate who was an out and out socialist? That seems to be direct contradiction of his statement. Here is a photograph, taken a few days before the election, of the man who was the Socialist candidate in the constituency of Mackenzie. Making his nomination speech before the vote was taken, he said this:

> You want to know, of course, where I stand politically, socially and economically. I will tell you in one single word: I stand to-day as an out and out socialist. I am not afraid of the word. I am an out and out socialist, a thoroughgoing advocate of the cooperative commonwealth or the brotherhood of man.

It is quite apparent that my hon. friend from Bow River is antagonistic to the Liberal party and the Conservative party when he will come into the constituency of Mackenzie and try to elect a man not of his own political hue, so that I am very anxious to know to what political party the hon. member belongs. Now, the Cooperative Commonwealth Federation is undoubtedly a socialist party, one hundred per cent; the leader of the C.C.F. has made statements to that effect, though I am not going to quote them to-night. And the C.C.F. being one hundred per cent socialist, the hon. member for Bow River attended a convention which it held at Regina on July 19, 20 and 21, 1933. The socialists are very fond of advertising themselves, and wherever two or three are met together they have their photographs taken. The photograph of the entire group was taken in Regina on one of those three dates in July of last year. I see the leader of the group sitting in the front row in the centre, and the member for Bow River is also in the group, but with his hand he is apparently trying to conceal his face. Evidently he had qualms of conscience at that particular time. I see, too, a gentleman sitting between the leader and the hon. member for Southeast Grey, and I believe he is the very gentleman I happened to defeat on October 23 last.

I did not know that the time was passing so quickly, so I shall have to leave any further

discussion of the policy of the C.C.F., because I wish to consider for a moment the policy of the Liberal party. I say, Mr. Speaker, that there is a way out of the present depression, and that way can be found in a little pamphlet of four and a half pages—this pamphlet which I have here setting out the position of the Liberal party and its immediate program.

An hon. MEMBER: How old is that?

Mr. MacMILLAN (Mackenzie): It is not very old, not as old as the Minister of Railways. This policy came into existence on February 27, 1933.

Mr. TURNBULL: You have had a summer school since then.

Mr. MacMILLAN (Mackenzie): That is true; I am glad that my hon. friend from Regina is keeping abreast with the times, because we may find him on this side before the session is ended if he continues to add to his intelligence. He had better attend the Spring school and I will be his teacher for a few days. I contend, Mr. Speaker, that the policy of the Liberal party will lead us into the promised land.

Some hon. MEMBERS: Oh, oh.

Mr. MacMILLAN (Mackenzie): I am glad that hon. gentlemen laugh; it is seldom that they laugh when they are talking about their own record. However, I do not object to their interrupting me; it is an indication that they are waking up. How will the policy of the Liberal party lead us into the promised land? The answer is, through the reduction of tariffs and the liberation of trade. An imperial conference was held in Ottawa in July, 1932, and the Right Hon. Stanley Baldwin, the chief delegate from Great Britain, made this statement at the opening of the conference:

> I may be allowed to remind you that the countries of the commonwealth depend upon world prosperity both directly, when they are selling commodities for which a world market is indispensable to them; and also indirectly, when they sell to the United Kingdom because the purchasing power of the United Kingdom depends upon her ability to sell in a world market, and that in turn depends upon the ability of the world to buy. . . .
>
> Let us, therefore, aim at the lowering rather than the raising of barriers, even if we cannot fully achieve our purpose now, and let us remember that any action we take here is bound to have its reactions elsewhere.

What Mr. Baldwin aimed at did not come to pass, and I will tell you why. We have in this country a Prime Minister whose transcendent ability, superb courage and dynamic energy, coupled with a seductive and devastating personality, dominated that conference. It is all to his credit; there is no doubt about it that he was the leading figure at that conference.

Some hon. MEMBERS: Hear, hear.

Mr. MacMILLAN (Mackenzie): I do not want any cheers from either side when I say what I think I should say. What Mr. Stanley Baldwin wanted, I repeat, did not come to pass. Now I am not an economist but I have confidence in the opinions of those who have held positions of responsibility and trust. Mr. Baldwin was Prime Minister of Great Britain once through the death of Mr. Bonar Law, who was Prime Minister, and subsequently he became Prime Minister by the will of the people. I suggest therefore that when a man holding a position of that kind, a man in whom the people of England have such implicit confidence as to make him Prime Minister, makes statements, they should be given every serious consideration. I submit that if we had reductions in the tariff it would assist us materially in bringing back prosperity to this great country.

What are the conditions to-day? There is despair in many places; penury and want have placed their ineffaceable seal on the door of thousands of homes in this great and rich land of ours. The poison of despair is already in the blood and is spreading. I know of a father and mother in Saskatchewan who entered into a covenant with death to destroy their only child and then themselves because life had become intolerable to them; they could not find the subsistence of living. These conditions exist. I wish I had it in my power to convince the Prime Minister that it is high time for him to leave his sinful life at Damascus and start for his glorification at Rome. If he cannot see his way clear to abolish high tariff entirely, then in the interest of the country which he loves so much, a country which has been so abundantly kind to him, surely he can quarantine it for a generation at least. The inevitable result would be a greater and more prosperous Canada; satisfaction and contentment would take the place of despair and want; and in the full plethora of her exuberant wealth Canada would take her place among the foremost countries of the world.

Mr. G. D. STANLEY (East Calgary): May I first congratulate the Minister of Finance (Mr. Rhodes) upon the splendid budget address which he presented to us a week or so ago, and also offer a few words

of commendation to the last speaker (Mr. MacMillan) on his admirable effort in the house. I shall not attempt to discuss the question of debts or his proposals in respect thereto, nor shall I discuss the proposal which he made in regard to the conscription of wealth. All I may say in that connection is this, that his right hon. leader was prime minister in this country from 1922 to 1930; the party which he supported so loyally during all those years was in power, and we did not have a great demonstration of conscription of wealth during those years.

I propose to deal very hurriedly with the question touched upon in the amendment moved by the financial critic of the opposition (Mr. Ralston), and to endeavour to discuss the question of world trade and international cooperation. May I first read the amendment as we have it submitted:

> This house regrets that the proposals of the Minister of Finance give no indication of the intention of the government to abandon the policies of economic nationalism which have proved so disastrous to Canada's trade.
>
> It is of the opinion that the immediate substitution therefor of policies which will promote export trade throughout the world is essential to any permanent improvement of conditions in Canada, and to the successful application of other policies respecting credit and employment designed to effect this end.

Analyzing that amendment as it is presented one would say that the mover is contending that there has been a disaster in connection with Canada's trade; that that disaster has been caused by economic nationalism and that the government of the day has introduced this economic nationalism. The second part of the amendment states that the cure for this would be to promote export trade throughout the world, and the inference is that the party which the hon. gentleman represents would introduce the cure by the substitution of policies advocated by his party. I contend that the hon. member has taken hold of the old political expedient of grasping an existing evil, playing it up strongly, laying the blame for the presence of such evil to his opponents, and then claiming that his particular policies are the cure. That is an old expedient which has been played often not only in politics but in other lines. Let us make a rapid review from Canada's viewpoint of the situation in the world in which we live.

True, there has been a distinct falling off in trade during the past four years. As a matter of fact, our total trade as expressed in dollars has decreased to about thirty-seven per cent, but at the same time it is a remarkable coincidence that world trade has decreased to exactly the same percentage. When we look to the greatest nation, financially speaking, in the world, the United States, we find that the total income of that country also decreased to exactly thirty-seven per cent. If we take those few figures they are in themselves a fair indication that the condition which has been found in Canada so far as trade is concerned is worldwide. That has been repeated so often it is hardly necessary for me to reiterate it. Is it necessary to go over the history of conditions existing since 1914? The war; the years of recovery; the loans granted to European nations during those years; the difficulties which those countries found in building up their trade; then following along to the orgy of speculation; the cutting off of credit extended to the nations of the world; the crash and all that has followed. Canada came into the whirlpool of this world condition.

The amendment speaks of economic nationalism. When did this commence? At any rate, when did it begin to manifest itself most predominantly? It was in 1927 that the nations, particularly of Europe, began to build around themselves tariff walls, embargoes, licences, quotas and all the other obstructions to international trade, and 1928 was the year in which bilateral trade agreements were made among the nations. That is when this so-called economic nationalism, mentioned in the amendment, took root. But hon. gentlemen opposite were then in power; the present leader of the opposition (Mr. Mackenzie King) was leader of the government; why did he not do something to prevent this economic nationalism? What steps did he take? What steps did the supporters of the then government take? Shall we place upon them the responsibility for the existence of this in Europe, in the world and in Canada itself? Hon. members opposite say: That is unfair. Of course it is. The right hon. gentleman was not responsible for this, nor was the government of the day responsible for its introduction in Europe; but it is just as fair for me to contend that he was responsible for it as it is for the right hon. gentleman now to contend that the present government is responsible for its continuance. Laying aside political shams and facing the situation as we know it exists we realize that this is a world condition; that it is the manifestation of the tempers of the peoples of the world,

particularly those of Europe, and we are facing in Canada the reality that we are living beside other nations that have adopted this policy.

The government came into power in August, 1930. As a result of what had occurred during the preceding years they found that the country was wide open to foreign trade and goods were being dumped. Why? Because credits had been cut off by the creditor nations of whom the Minister of Trade and Commerce (Mr. Stevens) spoke this afternoon, and the debtor nations proceeded to produce and manufacture commodities in larger quantities, dumping them into foreign markets in order to secure means with which to pay their debts. Creditor nations insisted that their debts should be paid, and paid in currency. They insisted that their own tariff walls should be built higher and higher. To secure money under those conditions where did the debtors look? They looked to the open markets; one of them was Canada and the other was the United Kingdom. So that goods were being dumped into this country. What did the government of the day do? They did the only logical thing; they used the only weapon they could use, the weapon that was at their disposal —they stopped the unusual and tremendous flow of goods dumped on the Canadian market. The United Kingdom followed exactly the same course. When credits were cut off, when creditor nations refused further credit, refused goods as has been stated this afternoon, there was nothing for the government of the day to do but proceed to balance its trade, and so it did. Instead of letting an adverse balance of over $100,000,000 continue, it proceeded to reduce that adverse balance, and I am glad to say that for the fiscal year just ended we shall have a favourable balance of probably $145,000,000 to assist in paying the debts which we owe. These were the conditions which existed, and with which the Canadian government had to grapple. There is no difference of opinion amongst the Canadian people, no matter to what party they belong, in regard to the desirability of international cooperation. There is no quarrel amongst the Canadian people as to the advisability of creating and maintaining normal channels of trade with people who will deal with us on fair and equitable terms. There is no quarrel between us in regard to matters of that kind, and never has been, and as long as we remain sane people there never will be. Yet it is a strange thing how political partisanship will sometimes distort one's judgment. For instance, when the Prime Minister and his government proceeded to negotiate with countries that were prepared to negotiate with us, countries to which we would most naturally look for trade negotiations, whose temperament and whose history would incline them to enter into trade relations with us, opposition was met with from our friends across the floor. The Prime Minister turned to the United Kingdom and to the other countries of the empire. To make a long story short, the government succeeded in arranging the Ottawa conference agreements, which have certainly brought a very considerable financial return to this country and to the other countries concerned. However, even if we had not benefited to the extent of one dollar from the arrangements so made, those agreements would still be well worth while, because they stand as an object lesson to the other nations of what unity of purpose and harmony of spirit can accomplish in the way of international cooperation regarding trade, finance, commerce, and social or any other questions. And I am glad to say that they have produced results, even so far. Other nations have come to the United Kingdom and sought the same privileges, and the United Kingdom and other countries have been able to arrange agreements on a cooperative basis because of the spirit which was exemplified at the Ottawa conference.

I am prepared to agree with my hon. friends opposite or with any one that the crying need of the day is international cooperation, a different spirit, a different attitude among nations. For that reason I express my approval of the efforts of the League of Nations. I think this is the wrong time for Canadian statesmen, Canadian members of parliament or Canadian citizens to be expressing their opposition to the endeavours of the League of Nations in any line. The League of Nations endeavoured to bring about an understanding between nations in regard to trade, and while they did not succeed to any great extent, at least they created a public opinion, a sense of responsibility of one nation towards another that had never existed before. I am not going to deal at any greater length with the matter of international trade, but I wish to refer to one phase of the work of the League of Nations which has been an outstanding success. Representatives of fifty-six of the outstanding nations sat around a table and with the force of public opinion behind them agreed on the humanitarian work of the league. It is true that the major activity of the league was the establishment and the continuation of peace, and I think you will agree that it is worth while. If the

league did not succeed from the standpoint of dollars and cents in promoting trade understandings, admitting for the sake of argument—though I do not agree with the statement—that they did not succeed in doing much towards the establishment of permanent peace if their only achievement was what they accomplished in the humanitarian department of their work, the league has served the world well and is worthy ten times over of the continued support of the Canadian people.

May I take a few moments, then, to outline some of the successful activities of the League of Nations? I shall be very brief, but I think I can give a sufficiently general survey to constitute an object lesson as to what we can do in our own country. I shall deal only with two or three undertakings of the league, and first I will discuss the way they handled the matter of refugees and soldiers who had to be repatriated. May I emphasize this point, that when nations can come together and agree upon principles of this nature it does not require a great stretch of the imagination to understand how it may be possible for them to agree even upon such contentious matters as trade, war, disarmament and so on. These nations were moved by humanitarian feelings. There were five hundred thousand soldiers living under indescribable conditions, two hundred thousand of them in Siberia and the balance in various other countries, as prisoners of war. The nations agreed to finance the undertaking and to restore those prisoners of war to their homes. The project was organized in a skilful way, and Doctor Nansen was placed in charge. The undertaking was of a major character, as we can understand by comparing the administration of the relief camps in the various parts of Canada. Even with a highly organized department of this government in charge and with relatively few men in the camps there are difficulties in this country, where supplies are so easily obtainable and transportation is so regular. In this case two hundred thousand men were brought from Siberia, for instance, to their homes in Europe. There was no serious loss of life; the men were clothed, fed and sheltered, so that it will be seen that international cooperation can attain great ends if the nations set their minds to it.

One could go on and outline the work done in regard to the refugees from Asia Minor. These people, numbering, 750,000, mainly women and children, were brought across to Greece, financed through a highly organized scheme and placed in homes in their new country. Other refugees were taken to that country also to such an extent that in the end they constituted one-fifth of the total population. One could outline what was done in Roumania and Bulgaria, and in connection with the million and a half refugees from Russia who, following the revolution, were scattered over the various countries of Europe. Through the League of Nations organization these people were taken back to their homes in safety, under an arrangement with the Russian government.

All this goes to show, Mr. Speaker, that when there is a will there is a way, and when there is an international will there is an international way. Those difficulties, which in the past have been insurmountable, even when taken up by the League of Nations, need not remain insurmountable if the nations get together. However, I shall leave that to deal with what I consider perhaps the most important work of the League of Nations; I refer to their health organization. This was started in a temporary way following the war, in connection with the return of these refugees and repatriated soldiers. The small countries of eastern Europe became overrun by epidemics of typhus, malaria and so on; literally millions of their people were stricken with disease and hundreds and thousands of lives were lost. The health organizations of the countries concerned were utterly unable to cope with the situation; even under normal conditions they were not skilfuly or scientificaly organized, and the League of Nations volunteered to help them. Allow me to emphasize the fact that when the League of Nations stepped in they did not force their way in; they came at the request of Poland, Latvia and other countries concerned. They met with the willing cooperation of the health organizations of those countries and assisted them to combat the epidemic.

I want to emphasize that fact, Mr. Speaker, because later on I shall refer to the conditions that exist in our own country. There was no interference at all with existing organizations; it was simply a matter of securing the assistance of those who were better informed in that kind of work. The best medical health officers that Europe could secure were sent to these various small countries to work in cooperation with existing health organizations. Gradually, step by step, the scientific knowledge, skill and experience of these men were made apparent, and slowly but surely that knowledge permeated and pervaded the various parts of those countries until, in less than two years, the epidemics which had

seemed so terrible and with which it had been almost impossible to cope were entirely eliminated. Then it was that that vision which was given to the League of Nations became more permanent and they undertook a like work in those countries where malaria was so prevalent. One-fifth of the population of the world, 650 million people, occupied countries which were malaria infested. Year after year went by but gradually the scientific assistance which has been extended on a voluntary basis by the League of Nations has made itself felt and conditions have vastly improved.

Then they went further. They arranged conventions, and all these various countries sent their skilled men to become more skilled. They came to Denmark, to France, England, the United States and Germany, where year after year lectures and practical demonstrations of public health work were given and discussions were engaged in. The program was extended and the men were divided up into smaller groups and visited for one or two or three months at a time various countries where they were able to see, at first hand, public demonstrations in operation—water systems, sewage systems, hospitals, research laboratories and all the other scientific provisions which are necessary for the maintenance of the public health. That work has been going on without any blare of trumpets, without any great publicity on the part of the League of Nations and without any unnecessary noise by the various nations of the world, but from year to year the work has been developed until to-day even those nations which were very backward in public health work are standing well up with even the most advanced countries of the world, and those efforts are still going on. The main thought here is that nations can come together in a general way and many of them can send their representatives, and indeed have sent them, to cooperate with one determined purpose in view, namely to raise the standard of public health, and in that they have succeeded. I think I am safe in saying that no similar effort on the part of any group of nations has had such a large success. No undertaking by any nation or any group of nations heretofore has had the result of saving so many human lives, of relieving so much human distress of mind, body and spirit, and even of soul, than has this undertaking of the nations which faced one another in the early days of 1920 and agreed to help one another in raising the standard of public health work.

Applying that to our own selves—because I think there is a lesson here for us, although the advance that is to be made in public health work is not being announced in any great public advertising or with any blare of trumpets. We have in this country provincial health organizations of varying degrees of efficiency. I most thoroughly agree that the proper place for the public health organizations is in the province, as near to the people as possible. That is perfectly right. When it comes down to the actual administration there is no substitute for the provincial departments of health, and I do not wish to be misunderstood as in any way recommending that there should be any change in that respect. That is exactly the method that was followed in connection with the successful undertakings by the League of Nations, with no interference, but rather coordination and cooperation, bringing together all the work in a cooperative way. But there is a place and a very valuable place for the federal Department of Health in this connection. Each province would do its own work, certainly, but the federal Department of Health could be the coordinating centre with its influence steadily permeating and helping to raise the standard continually in the provinces, with the federal department making the utmost use of the existing provincial departments of health, but at the same time persistently grappling with the problems which present themselves.

I have presented this, Mr. Speaker, in very general terms indeed. If I had time I could illustrate by a few definite proposals what could be accomplished in this way, the individual provinces working separately in their own fields, and the federal department coordinating in attacking such problems as heart disease, cancer, kidney conditions, and so on. These are problems which are presenting themselves, and to-day I am sorry to say the efforts are being defeated because the spheres of activity are too constricted, and there is not that coordinating national and international effort that is required to make the efforts a success.

Mr. H. E. SPENCER (Battle River): Mr. Speaker, I should first like to congratulate the hon. member for Mackenzie (Mr. MacMillan) on his very able maiden speech in this house to-night. Not only did he speak well, but he gives promise of being one of the real debaters of the house. He also showed that he has a sense of humour which he will find very necessary if he sits in his present position very long.

I was a most interested listener to the various suggestions which he made for curing the ills of the body politic. Being a new

member he did not realize that the very suggestions which he made to-night had all been made previously several years ago from this corner of the house. Whether the suggestion comes from him or from any other part of the house, it is always welcome and we shall do our level best to cooperate with any hon. member in bringing about necessary reforms.

The hon. member for East Calgary (Mr. Stanley) will pardon me if I do not follow him closely. I was glad to hear what he said with regard to the League of Nations. The league has in many ways done splendid work, although some people think it should have done more; and a résumé of what has been done with regard to health comes very well from the hon. member. Particularly good work has been done in that connection and I think the public should know about it.

In referring to trade the hon. member said that while the trade of Canada had dropped down to about 37 per cent of what it was, world trade had suffered also. That is all very well, but it does not mean that we should rely upon international conferences and international actions for relief. Relief must be started by some country, and Canada might just as well be the country to start it as any other. In my opinion too much attention has been given to international trade. International trade is very important, but our home trade between our own people is of greater importance.

It is very interesting to sit in this house and listen to the discussion of the budget by hon. members on each side. Hon. members on the government side give continuous praise while hon. members of the official opposition continually blame the government. I happen to be in the fortunate position of not having to give all praise or blame entirely. I cannot give as much praise as I should like to, but there is some praise due to the government. I shall certainly blame wherever I think blame is due. I do not think it can be said of the government that they have been inactive. This government during the last four years has probably been the busiest government Canada has had at any time, except the government which held office during the war. Look at the number of conferences that they have called or attended, one nearly every year; look at the enormous amount of taxation which has been levied on the people; look at the enormous amount of unemployment relief which has been given, such as has never been known in the history of Canada; look at the large number of alterations which have been made in the tariff schedules. Unfortunately the conferences did not turn out to be as successful as one would have hoped they would be. I think it must be admitted that the first and last conference drew practically blank. While the middle conference did some good with regard to empire trade, that benefit was derived to a certain extent at the cost of our world trade.

Then we come to the taxation proposals. This government felt that it had no alternative, although I think it had, than to levy taxation very heavily. This taxation has interfered with our internal trade because it has proved to be a great damper on the purchasing power of the people. In spite of the fact that about $130,000,000 has been spent upon relief, our problem has not been solved. Yet we were promised some four years ago that this problem would be solved very quickly. There is no doubt that the increases in the tariff have had the effect of interfering with our export trade. I do not say that the government have not done their best; I think they have in all sincerity, but they now find themselves in the difficult position of having to admit that their remedies have failed, and they are attempting to find other means of meeting the present crisis. Under the law of self preservation they are looking for a way out and they are not bothering very much with conferences. This budget shows the smallest increase in taxation of any budget of this government. Only one new tax is suggested by the Minister of Finance (Mr. Rhodes). The tariff has come in for some attention, but instead of increases we find decreases. The government came into office with the policy of putting the tariff up very high with the idea of saving the country. After four years they found that that policy did not produce the returns expected, and they have come to the conclusion that they had better chisel the tariff down as much as possible.

The deficit this year amounts to about $76,000,000 which with the Canadian National Railways deficit of $59,000,000 gives a total deficit of $135,000,000. Trade has been bad for the last few years and such a condition is bound to have a serious effect upon the budget.

The one new tax which the government has seen fit to levy is the tax on gold. If there ever was a popular tax, I think it is this one. For several years past general business has been endeavouring to make both ends meet and has been looking with envious eyes upon the gold mining industry, which has been doing particularly well. The figures given

this afternoon by the Minister of Trade and Commerce (Mr. Stevens) show plainly the fortunes made by those interested in our gold mines. Although it may be necessary to give some consideration to the mines with smaller production, I think the tax of ten per cent upon all gold sent to the mint or exported is a very just tax and will be well received by the public.

The sugar tax should never have been levied and I am glad to see that it is being cut from two cents per pound to one cent per pound. I am glad to see the income tax has not been reduced. I should have liked to see this tax increased, but possibly the government does not want to increase any taxes this year. About seventy-five items in the tariff are to be changed, but, strange to say, with the exception of three, all the changes are downwards. I notice that most of these changes are in the British preferential tariff, in connection with steel and chemicals. The empire content requirements are being reduced from fifty to twenty-five per cent on a wide range of articles. The special duty of three per cent on the duty paid value of empire goods coming in under the preference is to be cut in two. This is all to the good, but it reminds me of the Liberal budgets brought down in 1927 and 1928. At that time the Liberals were trying to cut down the tariff but they did not reduce it very much, and the same thing has happened in this budget. However, instead of leaving the income tax where it was at that time, the government of that day reduced it by ten per cent in each of the years 1927 and 1928. I think that was a very serious mistake. Of course, hindsight is always better than foresight, but I believe that anyone looking backward to-day will concur in that statement.

An amendment has been moved to this budget by the official opposition. Personally I am not satisfied with it. It seems to me rather vague, and certainly it is not as specific as I should like it to be. I therefore take the liberty of moving, seconded by Miss Macphail:

That the amendment be amended by striking out all the words after "that" and substituting therefore the following:

This house regrets that there is no indication in the budget that the government intends to take any action to put an end to the unnecessary suffering of our people arising out of the policy of financial deflation, unwise and inequitable tariff policies and economies which inevitably lead to restrictions on the production and distribution of wealth. Such policies are responsible for the present condition of poverty in the midst of plenty.

And further, that this house is of the opinion that the control of national credit, which by the constitution is vested in this parliament, should be exercised immediately by the government so as to:

Provide sufficient purchasing power to enable our people to "loosen their belts," and to take full advantage, as consumers, of their ability to produce;

Raise the price of agricultural products and other primary commodities to an equitable level in relation to the cost of production, the price of manufactured goods, and the settlement of outstanding liabilities, public and private;

Provide employment of a character that will add to the national wealth, and under conditions that will assure an adequate standard of living;

Create an increased volume of business which will permit the collection of sufficient revenue by our various governments, municipal, provincial and federal, to meet their necessary expenditures.

The Minister of Finance (Mr. Rhodes) gave us a most detailed account of all the moneys received and all paid out with regard to the country's business, but he said nothing with respect to what we are producing annually, or to our powers of producing if we only allowed our machinery to operate freely. He did not say anything about these two important points. If he considered them he would find that Canada from the producing point of view can be a very rich country indeed; and as a rich country, I submit, we should not for a moment tolerate so much poverty in the midst of abundance. Nothing is said with regard to total production and total consumption. Nothing is said with regard to the remedy for unemployment except, as suggested by the Prime Minister and some of his supporters, that the best thing to do is for us to tighten our belts, work harder, produce more and consume less. For my part I cannot see that this offers any way out of our difficulties. The Minister of Finance does not tell us how purchasing power is going to be increased. Apparently he has never given very much thought to the idea of social credit. Nor did he make any suggestion with regard to improving our financial system except by cutting the interest rate. That of course will help a little but it will be too slow to save the situation. He did not say anything with regard to controlled inflation, which will have to be recognized if we are to solve the problem of our debt, which I will refer to in a few moments.

The Minister of Finance contends that it is necessary for this country to borrow abroad in order to carry on its activities. In this I entirely disagree with him. Whatever moneys are brought into this country are brought in entirely on the basis of the powers of the country to produce and deliver goods, and if

the assets of Canada or of any business in Canada are good enough for Wall street or Lombard street they should be good enough for our own financiers.

He also made a statement which I query. Referring to the debt he said that it was not beyond the capacity of our people to pay. I wonder whether the Minister of Finance realized, when he said that, that the Canadian debt plus guaranteed loans in 1913 amounted to $483,000,000 whereas in 1933, twenty years afterwards, the same liability amounted to $4,002,000,000, or an increase in the twenty years of $3,519,000,000. Does he realize, does the public realize, that the interest on this debt has increased eleven times in that period? And according to the minister's own words our uncontrolled expenditure at this time is 63 per cent of the total revenue. Taking the interest on gross debt and guaranteed obligations we have a liability equal to nearly 50 per cent of our total revenue. The provincial governments are in a somewhat similar position. I find the interest on provincial borrowings has increased 370 per cent since 1916. Now, the question which we all have a right to ask, and which was put so well a few minutes ago by the hon. member for Mackenzie (Mr. MacMillan), is this: Can this debt be paid? Personally I do not think it can possibly be paid without a distinct change in our financial system, either by controlled inflation or by making proper use of social credit. I cannot help feeling with Mr. J. M. Keynes, the noted British economist, who in referring to these accretions of interest said that if they were allowed to grow without mitigation for many generations, half the population would be no better off than slaves to the other half. I regret to say that in my opinion the people of Canada to-day find themselves in that position. Many people to-day feel that they are slaves to the rest of the community, and I think it is more like 60 or 70 per cent who are slaves to the other 30 or 40 per cent.

The total revenue this year is $324,000,000, a slight increase over last year. The Minister of Finance thinks he can get the cost of money he is borrowing, from 5 per cent down to 4.35. But this is far too high. He reminded us that the western provinces have borrowed no less than $50,000,000 from the federal government. There are various reasons for this. Some of those who live in the eastern provinces will wonder why the west has to borrow. But when one realizes that the western provinces are quite young from the point of view of development, that they had to incur very heavy expenditure in getting started, that they have a very heavy capital investment per capita, the reasons are apparent. It must be remembered also that they have largely primary industries only; that these industries have been hit during the crisis probably worse than any other, and that while interest continues to be charged on their debts one hundred per cent, at the same time their paying capacity has been largely reduced, because in some cases the values of their commodities have dropped fifty and sixty per cent. That is one of the main reasons the western provinces have had against their will to come to the federal government asking for assistance. But when one looks at what the Canadian Pacific, one railway company, borrowed from the banks with government assistance, namely, $60,000,000, the assistance given the western provinces does not seem so large.

I have in my hand a table of the loans that were advanced by the banks to various provinces and industries, loans that were guaranteed by the Dominion government. The total, not counting any of the guarantees to the wheat pool, amounts to $96,550,468. The government in their wisdom may have thought it fitting to support the banks in getting behind these various loans, but in this list there is one loan which is guaranteed by the federal government and to which I take great exception; it is the loan that the banks made to the Dominion of Newfoundland. I have here a statement made by Mr. B. C. Loftus, recently elected Conservative member, at Westminster. He made this statement with regard to Newfoundland:

> There is general agreement that a process of deterioration which has now reached almost unbelievable extremes may be said to have set in about quarter of a century ago . . . for a number of years there has been a continuing process of greed, graft and corruption which has left few classes of the community untouched.

Then the following comment is made by the editor of the New English Weekly:

> A stern condemnation and deserved, but could the politicians have corrupted the country and imposed upon it an impossible burden of debt if they had not been aided by the financial houses of issue both here and in Canada? They knew, they must have known, as they floated the loans and received their commissions that the government of the dominion was at best incompetent, that the country was poor and unable to bear the increasing burden of debt. The castigation of the politicians is deserved, but surely the commission might have and indeed ought to have passed censure on the financiers who floated the loans, the pandars of all this political graft and corruption.

I cannot see why we should through our government place the credit of Canada behind loans made by private corporations to a

country outside this dominion and I hope the Minister of Finance or one of the other ministers will make a statement in regard to the matter.

I would like to say a few words regarding the serious situation that we find in the prairie provinces. It is well known that for some years past many of our products have been selling below cost and that any reserves that the people had have been depleted. One has only to go through the country to see that the buildings and machinery are going unrepaired; that there is no money with which to make the necessary improvements. The standard of living has if possible been lowered. The young people are facing life under a handicap; their parents are having great difficulty in giving them a decent education, especially a higher education. I think the government itself realizes to-day that agriculture is just about at the limit of its endurance whether in the east or west and naturally the collapse of agriculture would mean the collapse of general business. As the hon. member for Mackenzie (Mr. MacMillan) has said, the farmers want to pay their debts, but it does not matter how much they want to pay if it is impossible for them to pay and Canada is up against a very difficult problem, because so many of the industries depend directly on agriculture.

I want to congratulate the government on introducing their marketing bill. It took a good deal of pluck to introduce it, but one thing we cannot criticize the Prime Minister (Mr. Bennett) for not having is plenty of courage. A marketing bill or something along those lines has been asked for in western Canada for many years and I shall therefore take great pleasure in supporting the second reading of that bill, reserving the right to criticize, if need be, any details when the bill is either in committee of the whole or before the committee on agriculture if it is sent there. The need of marketing legislation seems to me to be brought before us when one realizes what the figures mean that were given by the Minister of Agriculture (Mr. Weir) in introducing the bill. I find that no fewer than nine of our farm products are nearly all consumed in this country. The figures are as follows:

Percentage of Home Grown Agricultural Products Consumed in Canada

	Per cent
Eggs	99.8
Sheep and lamb	99.4
Butter	98.9
Poultry	98.3
Cattle and beef	97.3
Potatoes	96.9
Hogs and pork	95.4
Oats	94.1
Barley	88.2

That means to say that a very small percentage of those products when sent abroad will affect the prices sometimes very drastically and oftentimes bring them below the cost of production. When we consume so much of those products it should not be difficult under a marketing board to be able to take care of that small surplus and to see that the producer gets a fair return for his work. On the other hand, looking at the different countries that have bought Canadian produce, I find that for reasons best known to themselves they have raised their tariffs on wheat from a very low figure, sometimes from no tariff at all, to a very high one, as follows:

Rates of Duty Charged on Canadian Wheat by Various Countries

	Lowest rate	Highest rate	
Germany	Free in 1922	$0 98 in 1930	
France	$0 11 in 1924	0 85 in 1930	
Italy	Free in 1921	0 73½ in 1929	
Czechoslovakia	Free in 1921	1 36 in 1933	(per cwt.)
Japan	0 18 in 1921	0 34 in 1930	
Mexico	0 60 in 1923	1 05 in 1930	

In the case of Czechoslovakia it goes from free in 1921 to as high as $1.36 per hundredweight in 1933.

While I am on that I want to give the house some figures which will give those who have not a knowledge of western Canada an idea of some of the extraordinarily low prices that are being paid for farm produce. I have in my hand a bill of a sale near Hughenden, Alberta, a part of the west that has never had a complete crop failure. It must be remembered that the machinery to which I am going to refer is all second hand, but it is second hand machinery that is being used. I find that six horses that were sold brought a total of $95.50; one horse a few years ago would have fetched that price. I find that six cattle, consisting of two steers, one calf and three cows, brought a total of $41.75. Then we have some of the machinery:

One binder	$ 5 00
One disc	8 00
One set of sleighs	11 00
One wagon gear	19 00
One sulky plough	5 00

One set of harrows	5 00
One gang plough	4 25
One hay rake	3 00
One mower	5 00
One fanning mill	6 00

It is almost unbelievable. I know this particular case because the man who had the place had an overdraft at the bank; he had given this stuff as collateral, and he wanted to turn the whole thing over to the bank against the loan. But the bank would not take it. They did however, write their loan down from $700 to $500 and brought sufficient pressure on him to have this sale. When the sale was over it did not bring in $700 or even $500; it brought $241.05.

I give these figures because I think it is essential that the people in this part of Canada should know the extraordinary situation that the farmer on the prairie is struggling against. I am glad to learn from the Minister of Finance that the government intends to bring in a bill designed to liquidate to a certain extent the farmers' debts, or the expression used I think was to enable them to stay on the land. I cannot say much with regard to the legislation proposed, as we have not particulars, except that I am glad it is coming. But I want to warn the government right now that it will have to be much more far-reaching than the long term farm loan act of a few years ago. That has given very little relief indeed. I shall withhold further comment until the legislation comes down, but I hope when it does come I shall be able heartily to congratulate the government on what they propose. Then I understand the government intends to bring in a bill with regard to public works. I hope that it will include provision for finishing those branch lines of railway where the grade has been prepared already but the rails are still wanting. I have in my mind one particular grade running some twenty-five miles easterly from Bulwark. The grade is all ready, it only awaits the steel, and completion of this line is very urgently needed. The farmers there have been waiting for many years, living a long distance from elevators and putting up with a great deal of hardship. I sincerely hope that when the public works program comes down such undertakings will be considered. I have taken the matter up with the Minister of Railways several times, and I hope we shall now see provision made for finishing such public works.

In conclusion I should like to refer to some of the defects in our economic system as I see them. Our problem is not one of unemployment, but of unpurchasable production; that is, that people are unable to buy the goods which they want and which are already made. This brings about consequent unemployment, with the usual glut of goods; production thereby is further reduced, and there is the consequent poverty. Poverty is caused not by unemployment but by lack of purchasing power accompanied by economic need. We have many people who might be called unemployed, but they are spoken of as leisured because they have money to spend. We have, as outlined so ably by the Minister of Trade and Commerce this afternoon, industrial plant much greater than we really need, although we could use it a good deal more if the people were able to purchase the goods that can so readily be made. This brings about frantic cut-throat competition in selling goods, because of the vast amount to be sold and the few who are able to buy and the many who can buy but little. This defect in the means of selling goods brings about the next stage, the grabbing for foreign markets. As each country is trying to do the same thing we are drifting into worse and worse economic warfare which undoubtedly will lead ultimately to military warfare. It seems to me, therefore, that instead of spending so much time and money and consideration in an attempt to find markets abroad for our surplus products, we should pay more attention to satisfying the needs of our own people. I was reading, the other day a most interesting book on the life of Napoleon, and I noticed that he considered that the problem that should engage his attention first of all was that of agriculture, next industry, and third external trade. Canada would do well if she followed a similar line of reasoning.

As I have said, the problem of every country to-day is how to get rid of goods, and they are trying to get rid of them by export. But we have a real demand at home, and our problem is to turn that real demand into effective demand. If we have not money sufficient to buy the goods that are made, that is allowing for the exchange of goods between export and import, we have not the money to buy the goods that come into this country in exchange for the exports. A glut of goods, as we well know, means that factories shut down, more and more men are out of work, with consequent lack of purchasing power and increased burden of taxation on those who are working in order to take care of those who are unemployed. So it seems to me that we have to pay more attention to the matter of purchasing power. In these

times agriculture is the industry that feels the distress most because it is least organized, consequently the prices of agricultural products drop first and are usually the last to recover. Therefore the responsibility of government at this time is to enable the farmer to get a fair return for his work, which will have the effect of bringing about an improvement in all industry.

Mr. HARRY BUTCHER (Last Mountain): Mr. Speaker, I understand it to be the custom, when taking part in the budget debate, to refer to matters that have been alluded to by the Minister of Finance (Mr. Rhodes) in his address, and I understand also that it is the privilege of hon. members who have some other subject much in mind to speak upon that subject. I propose to avail myself of that privilege this evening. Before doing so, however, I should like to congratulate the Minister of Finance upon the manner in which he delivered his budget address. I could not help sympathizing with him as to some of the material contained in that address, though I must admit that there was some occasion for rejoicing in connection with other parts of his speech.

To-night I want to speak upon a subject to which I referred early in February, that is, the need for the amendment of our company laws. A little later in the session the Secretary of State (Mr. Cahan) said he thought possibly the amendments proposed in the speech from the throne would not be proceeded with this session, but at a still later date the Prime Minister (Mr. Bennett) stated that a new companies act would be brought in, and I understand that this new act has been brought in and is now upon the members' files. I want to congratulate the government, and particularly the Secretary of State, for their action in bringing down this bill this session. I have not had time to study the act as yet, but if it is as stringent as the Secretary of State suggests I am sure it will meet with the approval of this house. In his preliminary remarks the hon. gentleman said:

> The bill also contains very strict and stringent provisions with regard to the issue of prospectuses by companies or by underwriters on behalf of companies.

Later he said:

> They are so much more strict and stringent than the provisions of the provincial companies acts that if this act is adopted I think it may result in a very serious diminution in revenue for the consolidated fund, because until provincial acts are amended or modified in like manner many applicants for charters certainly will go to the provincial authorities rather than to the dominion authority.

[Mr. Spencer.]

I congratulate the Secretary of State upon this disregard for the consolidated revenue fund. I think it is very fortunate that the government has decided, regardless of the loss of revenue, to improve our companies act and make it less possible than it has been in the past for fraudulent companies to operate. The minister concluded his preliminary remarks by saying:

> —I trust this bill will receive the careful consideration of hon. members of the house before it is dealt with by the committee of the whole.

I am confident that this is precisely the reception that will be accorded this bill.

As I said just now, Mr. Speaker, early in February I referred to certain matters in connection with the promotion of companies in the Dominion of Canada during the last few years. I prefaced my remarks by saying that undoubtedly the majority of the promotions had been of a strictly honest character but that there had been many that were decidely dishonest, and that there had been dishonest promoters of companies who had defrauded the public without mercy. I then went on to speak of financiers and financial organizations that had promoted mergers and combines in Canada that were illegal in some cases and near illegal in others, that were distinctly detrimental to the interests of the public and positively disastrous to investors. I said further that these questionable and in many cases immoral ventures frequently were connected with the necessaries of life, such as bread, milk, fruit, fish, coal, textiles, pulp and paper, asbestos and cement. I omitted to say "among others" as I had intended, but I think it was clear to the house that I was not trying in the least to make grave disclosures at that time. I was not trying to inform this house of the conditions that existed, because I knew that the majority of hon. members were perhaps better informed than I was. I was trying to remind this house once again that the time was ripe for an improvement in our company laws in order to prevent a recurrence of the disastrous happenings of the past ten years in the matter of company finance. Nor was I trying to attribute blame to any government, either federal or provincial, either past or present; I was trying to draw attention to certain evils and to suggest certain remedies. The day following my speech the Prime Minister made this remark in the house:

> There are thousands of men and women in Canada to-day who have been practically

ruined because of the shares they bought in various enterprises in this country during the last seven years. It is a blot upon this country's financial history.

So I had the Prime Minister with me in the opinions I expressed the previous evening. I am informed that on the following day one of the Montreal papers said, "Everybody knows these things." I did not see that statement personally, but if it be true that everyone knows these things certainly it is equally true that it is the duty of someone or some authority to do what may be possible to prevent their recurrence. It seems to me every hon. member of this house has to line himself up either with the reformers on one hand, those who believe in preventing that kind of thing in the future, or on the other hand with those who say that the law of the jungle is the right law, who believe in the survival not of the fittest but of the slickest, as the hon. member for Bow River (Mr. Garland) said some time ago; who believe that it is every man for himself, and his satanic majesty take the hindmost. It may appear to some hon. members that I am suggesting locking the stable after the horse has been stolen. Admittedly horses have been stolen but, to pursue the metaphor further, there are still horses in the stable and there will be others later on, so surely it is advisable now to provide the bars, the locks and padlocks that will prevent further thefts.

On reflection it seemed to me that when I spoke on February 1, I said too much or too little in regard to certain necessaries of life that had been the subject of the operation of wrongful combines and mergers. I had said that in the case of combines and mergers, monopolies or near monopolies had been created, and by practical monopoly of purchasing power the price to the producer had been forced down; by oppression of labour wages had been forced down, and the pace had been speeded up to a point almost beyond endurance; that by virtual control of output prices had been raised and the consumer had been gouged. I agree with what the Minister of Trade and Commerce said this afternoon with regard to the benefits or lack of benefits resulting from many of these mergers and combines. I am unable to see that they have benefited in any way the producer, the consumer or the investor, or that they have proved of greater benefit to labour than the smaller, independent units. The question then arises: Have they benefited anyone and, if so, whom have they benefited? They have benefited the promoter only.

First I am going to refer to milk, which was the subject of an inquiry by the agriculture and colonization committee of this house last session, when much interesting information was brought to light. I do not think I need refer to the result of that investigation, because every hon. member had the opportunity of following the proceedings of the committee from day to day, but I do want to give in brief the history of just one company, tracing it from its very inception to the present time, in order to prove that there has been an evil in connection with the formation of companies to deal with this much needed commodity.

I am going to quote from several newspaper articles to prove my point. In the Financial Times of October 15, 1926, there appeared the photograph of a certain gentleman who was described at the foot of it as the "originator of many utility and food enterprises in Canada." The article went on to say that he had just completed the purchase of National Food Milk Products Limited. Previous to this it is understood that he had been fifteen years in Alberta, during which time he had originated two large utility enterprises. Then he came to eastern Canada and "saw the possibilities for development in food product lines." He is not the only one who has seen the possibilities for development in food product lines. Unfortunately there have been too many of them.

This gentleman, having come upon a very promising little dairying industry in or near the town of Gananoque in the province of Ontario, conceived the idea of forming a company to handle this little dairy, and the National Milk Products Limited was formed.

This preliminary notice of October 15, 1926, was followed by another a week later in the Monetary Times under the title of "New Company Issues." It was stated that this new company was being floated with a new issue of $150,000 six and one-half per cent twenty year first mortgage sinking fund gold bonds.

Then we leave National Milk Products, Limited and we find in the Produce News of November 30, 1928, an announcement of the formation of another company called the Canada Dairies, Limited, which we are told was a consolidation of seven Toronto dairies.

Four months later, on March 18, 1929, we are told that Canada Dairies, Limited, has acquired the company which I first mentioned, National Milk Products, Limited. You will remember, Mr. Speaker, that the securities of

National Milk Products were placed on the market on October 22, 1926. I should have said that at that time first mortgage bonds for $150,000 were outstanding, and $150,000 of preferred stock.

In the Financial Post of December 26, 1929, just nine months after Canada Dairies, Limited, had acquired National Milk Products, Limited, we read:

> National Milk has gone into receivership. It is not known how much the bondholders will receive.

I think, sir, it might have added: It is definitely known how much the preferred shareholders will receive—they will receive nothing.

We find that:

> National Milk was a subsidiary of Canada Dairies, Limited, but the latter company did not guarantee the $150,000 of bonds outstanding . . . and had cut loose from the Gananoque firm, leaving whatever can be got from it for the bondholders.

That is a very casual statement. What did it mean for the poor bondholders and shareholders? I am informed, and I believe credibly informed, that the people of the town of Gananoque contributed $250,000 in the purchase of the securities of this company. These people in the town and the farmers in the concessions to the north and the south, the east and the west, including probably many a poor labouring man, contributed their little quota for the purchase of a share of that company. A very casual statement—"whatever could be got was left for the bondholders."

In the Financial Times of December 16, 1930, we read that a special meeting of Canada Dairies, Limited was held to confirm, "if deemed advisable, by-law authorizing sale of assets of Canada Dairies, Limited to the Dairy Corporation of Canada, Limited."

On June 4, 1932, we read that Canada Dairies put on a customer-ownership sale, offering $50,000 six per cent first mortgage bonds to pay off old mortgages, assisted by the Dairy Corporation of Canada. The public is invited to carry this load. We read from that very article as follows:

> The original company consisted of a merger of six or seven small companies arranged by—

I shall not give the name:

> —and other associates not now associated with the business.

It is a remarkable fact that whenever these companies get into trouble, those who are responsible for their formation are found to be "not now associated with the business." They have got away with their profits, leaving the people who put up the money to bear the loss. The article goes on to say:

> About $800,000 was paid for these concerns but in the upshot a large part of the business was lost in merging and results were unsatisfactory. Those who bought about $300,000 in preferred stock have not found their investment satisfactory.

Again, a very casual way to put it! Men who have lost $300,000 would hardly regard their loss as merely unsatisfactory. Most of them would think of other words which are far more appropriate, if less polite. Who lost that $300,000? What labour does it represent? What distress does the loss of it entail?

But there is still left the Dairy Corporation of Canada, and what of it? It consists of a merger, and what do we hear of this company recently? We read that it had to be reorganized, that in 1930 the company had issued sinking fund debentures to the tune of one million dollars, which were "secured by first floating charge on all company's assets and undertakings. Company cannot mortgage, pledge, lien or charge upon the mortgaged premises," and so on. But we are informed that there was a joker in the trust indenture, that these debentures were never a first lien, that they were always "subject to the bank loans and other secured charges in the ordinary course of business." In a circular letter accompanying particulars of the new scheme of reorganization, the president of the company sententiously remarks, "The payment of this bank loan is a problem." The only comment one can make on that is: What wisdom!

One of the subsidiary companies of the Dairy Corporation of Canada was the City Dairy of Winnipeg. It may be that hon. gentlemen have recently been receiving a little magazine called Wilton's Review from Winnipeg. It contains very interesting information with regard to this company known as City Dairy. My reason for referring to these companies is that I want to point to certain evils that exist in the constitution of many of our companies to-day, and at the same time to point out possible remedies.

On February 17 of this year a meeting of the shareholders of City Dairy was held. At this meeting it was disclosed that when the shareholders bought their preferred stock only 4,500 preferred shares were authorized; that the preferred stock became entitled to voting power after one year's default; that 2,000 of these preferred shares participated with the common stock in dividends over seven per cent and up to ten per cent; that at that time

there were 3,000 shares of the common stock of a par value of $100 in existence; that in 1933 all the preferred stock being in default as to dividends the holders naturally thought that they controlled 4,500 votes as against the 3,000 votes in common stock. But they were mistaken. They discovered that the 3,000 shares of common stock of the par value of $100 had been converted into 15,000 non-par shares, and thus that they had lost control.

How had this happened? In 1930 certain by-laws designed by the holders to place the common stock in a permanently dominant position were duly passed, and in course of time a petition for supplementary letters patent was filed in the office of the provincial secretary. The facts recited in the petition were apparently quite truthful and very frank. On September 27, 1930, supplementary letters patent were granted. In an article which appeared in the Financial Post of March 17, 1934, the president of the Dairy Corporation of Canada is quoted as follows:

> In 1930 the capital structure of City Dairy was changed and gave the Dairy Corporation of Canada sufficient common shares to outvote the preference shares if those preference shares assumed to vote owing to dividends being in arrears.

A scheme of rearrangement was submitted, and what happened? Those who contributed $450,000 will be absolutely at the mercy of the holders of the original 3,000 common shares, who did not pay more than $100 per share. I know that this particular case is no business of the federal government, but it illustrates what is quite common in the formation of companies. I hope this is an evil which is being dealt with in the amendments to the Companies Act.

I referred to bread, and I believe the Minister of Trade and Commerce (Mr. Stevens) referred to the same subject this afternoon. I should like to give a few facts with regard to this commodity. In 1931, the allegation having been made that several bread companies had formed an illegal combine, an investigation was held, either by the registrar under the Combines Investigation Act or by a commissioner. During the course of his investigation the registrar found that four milling companies operating bakeries had then acquired ninety-six bakeries in Canada. They manufactured one-third of all the bread manufactured in Canada and ninety per cent of the bread manufactured in the communities in which they operated. Taking these facts in conjunction with those given this afternoon by the minister the house will see the control which could be exercised by these four milling companies operating bakeries throughout Canada. The house will realize how easy it would be for price agreements to be made by these four companies. At the conclusion of his report the registrar states:

> No conclusive evidence has been adduced to show that this combination constitutes a combine within the meaning of the Combines Investigation Act. At the same time, the predominant position of these flour milling companies in the baking industry, and the possibilities of monopoly and price enhancement which are theirs, are such as to warrant continued governmental interest in the situation, and, should the need arise, further governmental action on behalf of the consuming public.

It is quite evident that these four companies have something which very nearly approaches a monopoly of the bread business in eastern Canada. The very idea of monoply is repugnant to the free thinking people of Canada. Men who seek to control any industry are never actuated by altruistic motives but are invariably themselves controlled by a ruthless lust for power and financial gain. Have these combinations benefited the consumer in any way? Have they benefited the producer in any way? Have they benefited the labourer or have they benefited the investor? Poor's appraisal of the securities of these milk and bread companies to which I have referred is, with one exception, "speculative" or "very speculative."

I referred to coal but I do not propose to speak on that matter this evening. I understand that the decision of the court as to the existence of an illegal combine has been appealed and I shall make no further reference to the matter.

I referred to fruit also. It is within the memory of hon. members of this house that in 1926 four companies and four individuals were fined $200,000 in all because they had formed an illegal combine in fruit. Although I have not the facts, I believe there is a general impression that a similar combine exists to-day.

I mentioned fish also. I might point out that recently an inquiry was held in Manitoba into an alleged combine in connection with the fishing industry of that province. The commission found as follows:

> We have found that a combination exists between four companies and that other companies have agreed with them, to regulate and control a large proportion of the summer caught fish on lake Winnipeg.

Time will not permit my going into details with regard to this alleged combine in fish.

I referred to asbestos. I do not believe I have time to deal further with this except to say that the inquiry recently held or at

present being held in the United States goes to show that the control of asbestos is almost world wide and that J. P. Morgan and Company have presumably acquired control not only of Canadian companies but of companies in Great Britain, Europe and on the north American continent. The Prime Minister, speaking recently, I believe in Toronto, referred to the asbestos situation in Quebec and the desire of the president of that company to purchase asbestos in Russia rather than in Quebec.

I do not think it is necessary for me to amplify the remarks I made on February 1 in connection with cement. In 1909 there were 11 chief producers who had been brought together at a cost of $14,822,250. Stocks and bonds to the tune of $27,134,786, or almost twice the cost of purchase, were issued. Even with this huge capitalization satisfactory dividends were paid. However, in 1927, Wood, Gundy and Company and associates purchased this company and recapitalized at $35,000,000, although it was alleged that there had not been any corresponding increase in capital assets. Despite the water in the stock satisfactory dividends were paid. But in 1923 a cloud appeared upon the horizon which seemed disastrous to this large company. The National Cement Company was incorporated, but this was a competitor not to be endured. In 1928 the National Cement Company was acquired by Alfred Rogers and associates and in 1929, a year later, Canada Cement took over National Cement. We now have practically a monopoly in cement products which are used for thousands of purposes by practically every industry in Canada. Again I ask: Has this huge monopoly benefited the consumer? Have the labourer and the investor been benefited? Poor's appraisal of this particular stock is "speculative."

I referred to pulp and paper, but as my time is going rapidly I do not think I can deal with this matter except to say that the history of the Canada Paper and Power Corporation is one of greed and mismanagement of finance. I should like to make two quotations. I made one in this house about two years ago, and the other is contained in a letter which was addressed recently by a firm of investment bankers to I believe practically every member of parliament. Mr. Taschereau is quoted as having said that in 1920 there were 100 paper mills, producing $100,000,000 a year in products, capitalized at $22,000,000, employing 31,000 employees, and paying them yearly $45,000,000. At the end of ten years there were 109 mills, producing $215,000,000 in products, but capitalized at $714,000,000. There had been an increase of 2,000 in employees but payrolls remained the same as in 1920. While production increased by 115 per cent, capitalization increased by 3,500 per cent, roughly speaking. I quote from the letter of the investment bankers as follows:

> In general, the financial and industrial leadership in Canada has differed only in degree from the depredations of the robber barons of medieval Europe, the brigands of Tartary or other ungodly countries, the Corsairs of Algeria or the pirates of Penzance.

This firm of investment bankers stated that the above was an extract from a published article by the president of a well known Canadian life insurance company. Again I ask: Did this combination benefit labour? Did it benefit the producer or the investor? If not, whom did it benefit? It benefited the promoters only.

I was going to refer to Dominion Textiles, but time will not permit.

Having dwelt for a few minutes on these mergers and combines, the operations of which have been distinctly detrimental to the interests of the people of Canada, I wish to refer now to some fraudulent company promotions through which investors have lost millions. Possibly hon. members are wondering why I did not leave these remarks until the second reading of the new Companies Act, but I wanted to speak with greater latitude than probably I should have been permitted to do had I waited until that occasion, when one would be expected to speak only on the principle of the bill. In every one of these instances I propose to point out an evil and suggest the remedy. Take the O. J. Brooks ventures, which resulted in the loss of from ten to twelve million dollars to the people of Canada. This man Brooks came to Canada in 1921 and promoted seven finance corporations and finally promoted Brooks Steam Motors Limited. He took from the people of Canada, as I say, from ten to twelve million dollars, including about $3,800,000 in Brooks Steam Motors alone. How was this accomplished? It was accomplished by the illegal use of common stock and no par shares. I had hoped to be able to deal at considerable length with this particular company but time will not permit. Suffice it to say that I will point the moral before closing my remarks. There is another company to which I wish to make some reference and that is a concern referred to in an editorial of the Free Press of Winnipeg of May 18, 1928. This was a western company owned by a famous westerner, Senator Patrick Burns, and a small

group of associates. This company had a prosperous record and looked like a good thing. I have looked up the prospectus as well as the Toronto Globe of May 18, 1928, and I find that the prospectus was issued by the Dominion Securities Corporation Limited, on May 16, 1928. On May 12, 1928, this company, the Dominion Securities Corporation, had addressed a letter to the shareholders then in the concern, reading in part as follows:

We have purchased the business of P. Burns & Company Limited. There will be a rearrangement of the capital structure which will necessitate calling for redemption the 6½ per cent first mortgage bonds at 104 and accrued interest on the first of Juy next, and a formal notice of this call has already appeared in the press.

Notwithstanding this letter, dated May 12, 1928, the company issued a prospectus four days later stating:

From the letter of Mr. John Burns, to be president of the company, we summarize as follows:

The prospectus concludes thus:

These statements have been accepted by us as accurate, but are in no event to be construed as representations by us.

This prospectus makes very alluring statements to show that the earnings of the company are far more than sufficient to pay interest on all securities offered for sale. But in a letter recently issued by the Preferred Shareholders' Protective Committee some very strong statements are made, and I suggest to hon. members that they take the first opportunity of reading this communication. I am quite satisfied that they will agree that an investigation should be made into the affairs of this company and into the history of its capitalization. Again time forbids that I should deal in detail with the operations of this particular company.

Now I wish to point out briefly the lessons to be learned from these cases. National Milk Products illustrates the need of closer supervision of promotions and especially of those promoters who are so ready to "see the possibilities of development in food product lines" and in public utilities.

City Dairy Limited illustrates the evil of the "abstraction of the vote" to which I should like to refer, but I am afraid I shall be unable to do so; I hope to have the opportunity on the second reading of the Companies Act. It also teaches the evil of the no par value share.

The case of the mill owned bakeries shows that concentration of the production of any food line is detrimental to the interests of the public, and that our present concept of what constitutes an illegal combine needs some adjustment.

The case of the Dairy Corporation of Canada seems to show that there should be some official charged with the responsibility of bringing those responsible for withholding necessary information to the bar of justice; for what is the business of many people usually becomes the business of none. And trust companies who have undertaken to protect certain classes of shareholders should not be able to evade all responsibility for fulfilling the trust by employing the customary formulae but should be held responsible to those shareholders in every case in which there is a "joker" in the trust deed.

The tobacco inquiry, the fish combine in Manitoba and the asbestos case illustrate the need of a widening of the legal interpretation of what constitutes an illegal combine.

The cement case illustrates the need of a stricter control of the capitalization of mergers and so forth, and similarly the pulp and paper situation.

The textile situation suggests that the time has arrived for limitation of the earning capacity of mere money capital.

The Brooks ventures illustrate the evil of bonus stock, call it stock watering or illusory capitalization, whichever you will, and the necessity of our courts passing upon the adequacy of the consideration given for shares, when called upon to do so. There are other cases to which I wish to refer but I am afraid I shall have to postpone consideration of them.

The case of Burns and Company Limited suggests that the person or corporation issuing a prospectus should not be able to hide behind the formulae usually employed but should be held directly responsible for all statements contained therein. A casual glance over the new Companies Act shows however that provision of that kind has already been made. And all the cases combined seem to suggest the necessity of the erection of an investment board clothed with large powers of investigation and control.

There are many other matters which I should like to have dealt with but I shall speak of them when the bill is before the house.

Mr. J. A. BRADETTE (North Timiskaming): It is customary for members of parliament speaking on the budget to refer to the wonderful manner in which the minister of finance presents it to the country. I believe that in the present Minister of Finance (Mr. Rhodes) Canada is blessed, as it has been in

times past, with a man highly qualified for the office, and the way in which the hon. gentleman presented the budget now before the house was a credit not only to himself but to parliament. But in bringing down the budget he must have found himself in a very embarrassing position for more than one reason, one of the main reasons being the rash promises made on previous occasions by his party and his government, and also by reason of some of the principles and policies enunciated by outstanding members of the government when they were in opposition. These were brought forcibly to the attention of the house by the opposition financial critic, the hon. member for Shelburne-Yarmouth (Mr. Ralston).

One thing in particular which the Prime Minister (Mr. Bennett) advocated and which made a strong impression at the time was the turnover tax. It is not my intention to deal at any length with this but merely to refresh the memory of the house, pointing out how easy it is to propound new policies if not new fallacies which are very workable in opposition but difficult of application when men are in responsible positions of government. The same thing applies to the statement of the Prime Minister that if he were in power he would almost compel the insurance companies of this country to take up the national debt at a lower rate of interest than then prevailed. Several other theories were propounded by the then opposition and in each case when they have the responsibility of administering the affairs of the country, they find those theories impossible of application. I recall very vividly that time after time not only in this country but throughout the civilized world new parties, fads and fallacies come out which look well at the time but when those parties take on the responsibility of government, they also find their ideas impossible of application for the simple reason that they would be detrimental to the country as a whole.

One matter I want to bring to the attention of the Minister of Finance is the fact that last year parliament through legislation reduced the interest rates on savings accounts by one per cent. But one thing that will strike every hon. member is the fact that if anybody wants to get a loan from any of these banks which have received special treatment from parliament, no doubt on account of the fact that savings were coming in too rapidly for the demand made on the banks because of the high rates of interest charged by them, he cannot borrow at a lower rate of interest. In my section of the country prior to last year when we wanted to borrow any money from the banks, the rate of interest was eight per cent, and this compounded at least four times a year. We find ourselves in the same situation this year. Why is it that when the reduction in the interest rate on savings accounts was granted to the banks the interest rate on loans made to their customers was not also regulated so that loans might be at a lower rate than we have to pay at the present time? If the banks are overloaded with savings deposits they can find an outlet for their money in good solid investments whether in industry or all kinds of new commercial enterprises or the refinancing of the older institutions.

I should like now to allude to something which I have already mentioned in the House of Commons: I refer to the refinancing of the Canadian National Railways. I believe the day is now at hand when that refinancing should be done so that the people, the owners of the system, may know exactly where they stand in regard to the financial structure of that great institution. We know the propaganda that has been spread against national ownership of our railways, and it is not fair, when we are discussing that all-important matter, not to mention the fact that our national railway system has been overloaded with dead timber, dead material and dead capitalization, all of which it has absolutely no right to be shouldered with the responsibility of financing at this time.

I want to mention briefly a regional aspect which greatly affects our section of the country. I have mentioned this on several occasions and I wish to repeat it. So far as the section of the Transcontinental from Quebec to Winnipeg is concerned, it has never come into its own because it has never received the attention of the present or past governments in regard to the through traffic, freight or passenger, to which it is entitled. I well remember twelve or fourteen years ago the great rejoicing we had throughout northern Quebec and northern Ontario when the first through passenger and freight service was established; I well remember the demonstration made by every section of that part of the country. But the story was much sadder when over a year ago the passenger service was entirely done away with so far as through transportation from Quebec city directly to Winnipeg was concerned. Those fine national trains, numbers one, two, three and four, without warning to our section, were entirely withdrawn, and to-day there is no possibility of travelling directly from Montreal or Quebec or the maritime provinces to Winnipeg. The situation is worse because of the fact that since those two trains were cancelled practically all

the traffic is lost to the Canadian Pacific. I speak of this question with knowledge; I know the people in my section find it impossible to travel directly between Winnipeg and Quebec city. When we want to go to Winnipeg, we have to come around by North Bay. In my section where we have a population of over 100,000 I do not think since the curtailment of that passenger service five per cent of the people who go to the west travel Canadian National. That accounts somewhat for the problem facing the Canadian National and explains certain loss of revenue. Why that service was ever curtailed I have never been able to learn either from the government or from the railway board. It is possible even at the present time to reestablish that service so as to allow the Canadian National to come into its own. Everybody who is familiar with the old line of the Canadian Northern where the traffic is now routed, knows that it goes through practically a wilderness; it does not go through a settled country such as we have in northern Ontario. I say to the house, and particularly to the Minister of Railways (Mr. Manion) so that he may use his influence, that the passenger traffic should be reestablished over the northern section of our country, if not to Cochrane through North Bay over the Temiskaming and Northern Ontario railway, at least from Montreal to Harvey junction and from there to Winnipeg. In that case so far as the through traffic is concerned, the railway would come into its own. That section has suffered on account of lack of service and the Canadian National has suffered by losing that revenue to the Canadian Pacific without any benefit to the people.

I want to felicitate the hon. member for Shelburne-Yarmouth (Mr. Ralston) on his wonderful speech, and I feel all the more at liberty to do so because it was recognized as such even by the Minister of Trade and Commerce (Mr. Stevens) when he spoke this afternoon. Not only was the hon. member speaking as a financial critic but he was propounding suggestions that will help the present government if they try to implement them. People from all sections spoke well of his ability in discussing matters of such great national importance.

I want to concentrate my remarks particularly on a subject in which the whole country is interested: I refer to the gold tax. I am quite at liberty to speak on it because I do not own either directly or indirectly any stock of any mining corporation in any section of this country, and I have no interest whatever in the gold mining industry. Moreover, I can speak with an open mind on the matter because our section, when any problems, local or regional or national in character, arise, always tries to take the viewpoint of the whole of Canada. If one part of this country is affected by this tax we feel that the whole of Canada will be affected. I was astonished this afternoon when the Minister of Trade and Commerce tried, I believe, to insinuate that the protest that was made in the house against the tax was merely a local one. The gold mining industry of Canada to-day affects every citizen, and although its activities are centred in only three or four provinces, the beneficial effects are experienced throughout the whole dominion. The Minister of Trade and Commerce knows well that in my section hundreds of carloads of lumber coming from British Columbia are being used every year in the Porcupine district alone. The gold mining industry affects every economic and industrial activity of our country and therefore the question is not parochial; it is one that affects every section.

Let me go further. The gold mining industry realize that they have duties towards the country as they have towards the province and the districts in which they are situated; therefore the industry is willing to bear its proper and reasonable share of federal taxation. The hon. member for Winnipeg North Centre (Mr. Woodsworth) is not here, which I regret, as I would like to have some further light on some statements he made on that matter. He said, on April 23, as reported on page 2446 of Hansard:

> The financial critic of the opposition has suggested that this tax means a discrimination against a particular industry. Well, I would point out that that is true of all our indirect taxation.

I do not see how that statement will bear the light of analysis, because we are actually singling out one industry under the present system of taxation. There are other industries, which I am going to mention later on, that have been making large profits during the past year. Take for instance Imperial Tobacco; their annual report shows they made last year a profit of about six million dollars, but we have not applied a special tax on that exorbitant profit. The hon. member for Winnipeg North Centre goes on to say:

> Our whole tariff schedule means that particular industries are singled out for taxation, so there is nothing new in that contention.

As far as I know, tariffs are not taxes on industry but are in fact intended to help and shelter industry. Take the oil or the textile industries: Imperial Oil, for instance, had a net profit of nearly twenty million dollars last year, but there is no proposal in the present budget to tax that particular industry, which is not being taxed by the tariff but is being sheltered and helped by artificial protection.

He goes further:

Further than that, it is suggested that it is discrimination against particular parts of the country.

As with the human body, if one section of the country suffers distress, then the whole country suffers. Although geographically we belong to central Canada, we have never taken a parochial attitude with regard to maritime rights, for instance, or the fruit growers of British Columbia or other activities of our national life. This is not a local problem; it is entirely a national problem. You cannot call the gold mining industry a local industry, because its beneficial effects are felt in every channel of our national life. Then the hon. gentleman says also:

Further it is suggested that the budget does not take into account the variations in the grades of ore and costs of production.

Doubtless the Minister of Finance in the very near future will come out with a statement corroborating what has been said by the Minister of Trade and Commerce. It is an anomaly to put a flat tax of ten per cent on gold produced regardless of profits. I intend to show how low grade ores are being treated, and how thousands of men will be thrown out of employment if that tax is applied uniformly to all the gold mines. I believe I am right in saying that the Flin Flon is working on ores yielding an average of $2.70 per ton on which they make a clear profit of 15 cents per ton. Any hon. member can easily visualize what will happen as a result of this tax to mines operating on such low grade ore. The Minister of Trade and Commerce this afternoon gave us a ray of hope in suggesting that some amendment of the taxation proposals in that regard will be made. It will have to be made, otherwise the government will find very quickly that instead of being beneficial the tax will work its own destruction. It will throw out of employment a lot of men and paralyze to a large extent many sections of our country.

The hon. member for Winnipeg North Centre went on to say:

I do not believe it is common that such variations should be taken into account.

[Mr. Bradette.]

He certainly showed a very sad lack of knowledge in leading the house to believe that the gold mines are working on a definite ratio of actual gold per ton. I shall in a few minutes name mines that are working on an average gold content of $2.75 and similar figures, and others where the veins are so narrow that more rock has to be mined than ore; so that the hon. member, posing as a friend of the worker, showed a sad lack of understanding. I believe he was in the town of Timmins last year, where he would see one mine alone, the Hollinger, that employs 2,800 miners. It had a chance under the new price of gold of increasing its capacity by working lower grade ore than in previous years. Then the hon. member went on to say:

If we did fully take them into account it would be a bonusing of the marginal mines.

Well, it may surprise hon. members to know that out of 475 mines actually in operation at the present time there are about 15 on a dividend paying basis. Can you visualize, in view of that, what harm may be done by a flat taxation of ten per cent of all production? Then he went on to say:

Since this enormous gain in the value of gold is entirely a fortuitous gain—

That is a very fine word to use. Are not all gains in commerce and industry fortuitous? This afternoon another hon. member, also a labour leader, for whom I have great respect, asked the Minister of Trade and Commerce what amount of money was spent in subsidies for gold mining. I may tell the hon. member that the government of Canada has not given a single cent of subsidy to our gold mines. The government practically seized the gold produced. If it had been allowed to go for instance to the New York market the mines would have received the very same price as was paid by the government. The government simply paid the price that the gold producers would have received in the New York market.

Then the hon. member went on:

Of course, some one will say that would mean that certain mines would not be able to gain as much as they are doing to-day, that certain lower grade mines would be discriminated against, that a certain number of men would be turned out of work, and so on. I know there may be all these objections, but they apply equally in any taxation of this kind, because a good many industries have been put out of business through the very high taxation placed upon them in the purchase of the raw materials required for their products.

Again that is a statement which astonished me, because I do not know of any taxation

or tariff restrictions against any raw material coming into this country. I know of no tariff for instance, on raw rubber or raw cotton coming into Canada.

Then the hon. member spoke of the nationalization of our gold mines. I wish he were here, because I was going to ask him what mines he would nationalize. Would he nationalize only the paying mines, the fifteen that are on a dividend paying basis, or every gold mine in operation at the present time?

I notice, Mr. Speaker, that there is not a single member of the Cooperative Commonwealth Federation group in his seat at the present moment, although time and time again they have been complaining of the lack of attendance of members of the two other parties.

On motion of Mr. Bradette, the debate was adjourned.

At eleven o'clock the house adjourned without question put, pursuant to standing order.

Tuesday, May 1, 1934

The house met at three o'clock.

PRIVATE BILLS

FIRST READINGS—SENATE BILLS

Bill No. 65, for the relief of Lucy Doris Cannon.—Mr. Pettit.

Bill No. 68, for the relief of Bertha Alice Maude Maher Burke.—Mr. Heaps.

Bill No. 69, for the relief of William James Thistle.—Mr. Heaps.

CANADIAN AND BRITISH INSURANCE COMPANIES

Hon. E. N. RHODES (Minister of Finance) moved the first reading of Bill No. 72, to amend the Canadian and British Insurance Companies Act, 1932.

Mr. LAPOINTE: Explain.

Mr. RHODES: I have not had an opportunity as yet to examine the bill and as it will be available to hon. members, my suggestion is that the explanation will come more properly on second reading.

Motion agreed to and bill read the first time.

FIRST NARROWS BRIDGE

On the orders of the day:

Hon. IAN MACKENZIE (Vancouver Centre): Mr. Speaker, I should like to inquire of the Minister of Public Works (Mr. Stewart) if the government has received an application for the approval of plans for the First Narrows bridge at Vancouver. This project has been endorsed by a majority of the citizens of that city and I should like to know the present status of the application.

Hon. H. A. STEWART (Minister of Public Works): I might state that an application was received some time ago for approval of these plans under the provisions of the Navigable Waters Protection Act. Since the plans were filed representations have been received both in support of and in opposition to the proposition. Engineers are investigating and the applicants are furnishing certain information which has been asked for. Pending the completion of the report the matter is still in abeyance.

DOMINION ELECTIONS ACT

On the orders of the day.

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): Mr. Speaker, might I mention to the Prime Minister (Mr. Bennett) that the press appears to have an account of the Dominion Elections Act. Whether or not that account is correct I cannot say but I should like the Prime Minister to indicate when we may expect to receive a copy of the bill.

Right Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, I regret more than I can say the fact that a statement has appeared in the press. From what source this statement comes, I know not nor have I been able to ascertain. As soon as a draft is prepared, it is my purpose to hand a copy to the leader of the opposition (Mr. Mackenzie King). I am not responsible for what appeared in the press and I deeply regret that such a statement should have been made without any authority. Extraordinary conditions during the past two days have prevented my completing what I was doing with respect to this matter but I hope by the end of the week to be able to hand a copy to the right hon. gentleman.

PUBLIC WORKS PROGRAM

On the orders of the day.

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): Mr. Speaker, may I inquire of the Prime Minister (Mr. Bennett) when we may expect to have the program of construction of public works.

Right Hon. R. B. BENNETT (Prime Minister): We desire to have some of the existing legislation put forward a bit before introducing this matter. The draft of the bill is prepared but the schedule is like Jonah's gourd. The right hon. gentleman will understand what I mean.

MARKETING ACT

ORGANIZATION TO IMPROVE METHODS AND PRACTICES IN MARKETING NATURAL PRODUCTS

The house resumed from Thursday, April 26, consideration of the motion of Mr. Weir (Melfort) for the second reading of Bill No. 51, to improve the methods and practices of marketing of natural products in Canada and in export trade, and to make further provisions in connection therewith.

Mr. ANGUS MacINNIS (Vancouver South): Mr. Speaker, when this was introduced it was not my intention to say anything at this stage as I was well aware that there are several hon. members of our small group here who are far better qualified than I to speak on matters pertaining to agriculture. However, the opposition to the bill has covered such wide ground and has been so inconsistent at times that I felt I should add my mite, if for no other reason than to answer some of the charges which have been levelled against us in this corner of the house. I think almost every hon. member who has spoken on the bill has stated that it is of very great importance. According to those on my right, it is important for its ill effects, while on the government side of the house it is maintained of course that it is important for its beneficial effects. As a matter of fact I believe that one member, my hon. friend from Nelson (Mr. Stitt), went so far as to say that it was revolutionary and, moreover, that he was glad to take part in this particular revolution. I appreciate that for my hon. friend from Nelson to speak about revolution is much safer than it is for me. I would suggest to him however that he be careful because if the hon. member for Weyburn (Mr. Young) hears of it he will certainly use it against him.

I am not sure whether the bill is as important as either its opponents or its friends say it is, but I am quite satisfied that it is significant. It is significant in that it shows that an appreciation of the social and economic developments of the past few years are at last percolating through the mental equipment of some people. It is significant also because it is evidently becoming—

Mr. SPEAKER: I would ask hon. members to desist from loud conversation; it is difficult for the hon. gentleman who is speaking to make himself heard while such conversation is going on.

Mr. MacINNIS: The bill to me is significant because it is evidently becoming apparent to the advocates of rugged individualism that that very desirable virtue is rapidly leading to ragged individualism.

I favour this bill in principle. I am not saying of course that it is perfect nor that I will vote for it if it is not improved, but I will certainly vote for its second reading because I do agree with the principle. I am in favour of the principle of cooperation. For almost a quarter of a century I have belonged to the trade union movement and I understand and realize the benefits that have accrued to the working class through their association in trade unions. Unfortunately compulsion had sometimes to be used and perhaps unfortunately also there are compulsory clauses in this bill. But I believe that the farmer himself is beginning to realize the benefits of cooperation and has come to the conclusion that a certain measure of compulsion may be necessary to impress upon the more shortsighted in his own class that it is essential for them to cooperate for the welfare of all.

In my opinion the bill has become necessary for the same reason that it has become necessary to regulate traffic on city streets and even on country roads. We restrict the freedom of the individual on our streets and roads because it is necessary in the interests and for the safety of all who use the streets and roads that such restriction should be enforced.

I think it was the Minister of Agriculture (Mr. Weir) who pointed out when introducing the bill that the position of the farmer had changed very considerably during the last generation or so. He pointed out I believe that it was not so long ago when the farmer was producing on his own farm most of the stuff consumed by himself and his family. It was consumed on the farm. What he sold or exchanged he sold to or exchanged direct with the consumer. Now I think we

must realize that the farmer's position has indeed changed considerably, particularly within the last twenty-five years. To-day he is not turning out a complete product; that is to say, he is taking some part in the production of a socially produced commodity. He is producing not for his own consumption and for the consumption of his family but for a market, and the article or commodity he is producing is not finally finished until it has reached the ultimate consumer somewhere within the four corners of the earth.

In recent years the farmer has passed through a stage comparable I think to that which the handicraft worker of other days passed through at the time of the industrial revolution. As a matter of fact he is passing through an agricultural revolution. I think it was Sir Arthur Salter who, in his book Recovery, pointed out that if there had been no financial crisis at all nor an industrial crisis there would have been an agricultural crisis. He also pointed out that the methods which the farmer followed to overcome his difficulties were different from those pursued by financial and industrial interests. He said that when the price of farm commodities fell, the farmer, in order to make up for the loss of revenue through falling prices, instead of reducing the quantity of his product going on the market increased it, with the result that there was a further fall in prices, and so on.

In my opinion the position of the farmer to-day is very close to that of his brother worker in the city. May I for a few moments try to show the similarity. Living under a system of capitalism in which, in order to live, everyone must have something to sell and not only have something to sell but also to find a buyer, the farmers and the industrial workers find themselves in very much the same position. Let us take the industrial worker first. By and large the city and town workers have nothing to sell but their ability to labour, and when they find someone to buy their labour they are said to have found a job. But note this. They have no claim to ownership in what they will produce with their labour. They sell their labour power at its market price, depending like all other commodities to some extent on the law of supply and demand; but what they produce belongs not to themselves but to the person or corporation buying their labour and paying the price therefor—wages. What they produce is left in the plant or factory when they have done their day's work.

The exploitation of the industrial worker is easy to see. I remember years ago when we used to discuss how the industrial worker and the farmer were exploited. It was easy to see that the industrial worker was exploited at the point of production, but it was not so easy to find where the farmer was exploited. He did not sell his labour direct to anyone. He was a man of property who owned land and machinery and stock of various kinds. But I think it has become more clear since that time how he is being exploited. One thing of course is clear, that he does not sell his labour direct to an employer, but turns that labour, by the use of his land, his machinery and his stock, into various commodities depending upon the particular form of agricultural production in which he is engaged. If he is a grain farmer he turns it into various kinds of grain; if he is a dairy farmer he turns it into dairy products, and if he is a fruit farmer, he turns it into various kinds of fruits. But note this: that the moment he has done that he is under the same compulsion to do what the industrial worker had to do, that is to find someone to buy his commodities. That is where his difficulties begin. He has no say in setting the price of what he has to sell and no say in setting the price of what he has to buy. He is selling in a market that, so far as he is concerned, is absolutely uncontrolled, and on the other hand he is buying in a market that is absolutely controlled. He is, as a matter of fact, selling in a market that is not only not controlled but is sometimes rigged and manipulated against him, and he is buying in a market that is not only controlled by the producers of manufactured articles but is also protected by tariffs of various kinds. So it will be readily seen that the farmer is exploited through the market.

We hear a great deal these days about confiscation and the dangers of confiscation. Let me say that the farmer is confiscated annually at the end of every year because everything except a bare living is taken away from him through the market.

I am quite satisfied that the bill in its present state is not perfect, but I suppose nothing is perfect when it is first conceived. We know that the automobile of to-day is very different from the first automobile and that the airship of to-day is very different from the first airship that was tried out by the Wright brothers. After my hon. friend from Winnipeg North Centre (Mr. Woodsworth) had spoken on this bill a week or so ago, the leader of the opposition (Mr. Mackenzie King) followed and castigated us in this corner for supporting this bill. According to him we were falling into the Conservative net; I believe the simile he used was that of the spider and the fly. Well, I

think the leader of the opposition ought to know something about spiders and flies because I remember in 1921 quite a number of Progressives came into this house and fell very readily into the Liberal cobweb. I do not wonder if he feared that possibly those of us in this corner of the house might fall into another web. However, he need not be afraid because we have no such intention; once bitten, twice shy, and we are quite sure we shall never fall into the net again.

Mr. GARLAND (Bow River): We were never in it.

Mr. MacINNIS: Quite so. But that does not mean, Mr. Speaker, that we are not going to support any good measure that comes before this house regardless of whether it is introduced by Liberals or Conservatives. So far as I am personally concerned, I made one promise and one only to the electors in my constituency, and that was that I would support any measure which I thought would be to the advantage of those I represent, and on the other hand, that I would oppose any measure which I thought would be to their disadvantage regardless of who introduced it.

The leader of the opposition pretends to be greatly concerned over the undermining of our parliamentary institutions. I think anyone who keeps his ear to the ground these days and realizes how parliaments and democratic institutions have disappeared in other countries must also have realized that they have disappeared because they failed to function to improve the conditions of the people of those countries, and if we in this house of parliament are going to waste our time in mere talk, I think the people will get tired of parliament and use some other means of making available to themselves the great wealth of this country.

May I say to the leader of the opposition that nothing could be more detrimental to the dignity and usefulness of parliament than his own opposition to every measure good, bad or indifferent that is brought before parliament. In his opposition to this bill he went back to the thirteenth century to the time of Magna Charta, and in extolling the rights and privileges conferred on the people by that great document he pointed out that they were endangered by this bill. Now, to be historically accurate, the Magna Charta did not confer any rights or privileges upon the great mass of the British people; it conferred rights and privileges upon only a certain class, upon the barons, the ruling class of that time. So far as the great mass of the people is concerned, they never had any economic rights at that time and consequently any political or legal rights for them were quite useless. The leader of the opposition is so enmeshed and so obsessed with the letter of the law that he has lost sight of the spirit of the law; he is so taken up with the question of legal justice that he is overlooking a greater and more fundamental thing, that is, social justice. He fails to realize that until we have social and economic justice, legal and political justice will be of very little benefit to us. Let me give a little information to the house in regard to the condition of the working class in Great Britain upon whom, according to the leader of the opposition, the Magna Charta conferred such great privileges and benefits. I am speaking not only of the time when Magna Charta was signed, but of conditions six hundred or more years later, or about one hundred years ago. The leader of the opposition quoted from Green's History of England; I shall quote from another book which I believe is a classic of its kind, H. de B. Gibbons' Industrial History of England. Speaking of the condition of the working class in 1834 he says:

> But then came the great continental wars and the industrial revolution; and it is a sad but significant fact that, although the total wealth of the nation vastly increased at the end of last century and the beginning of this, none of that wealth came into the hands of the labourers, but went entirely into the hands of the great landlords and new capitalist manufacturers, or was spent in the enormous expenses of foreign war.

Then he says:

> Moreover, labour was now more than ever dependent on capital, and the individual labourer was thoroughly under the heel of his employer.

Thoroughly under the heel of his employer despite the privileges of Magna Charta.

> This, it will be remembered, was the result of the system of assessment of wages under which the justices of the peace, including of course chiefly manufacturers and landowners, fixed the wages of labour for their own districts, and fixed them at so low a figure that they had nearly always to be supplemented out of the rates paid by the general public. The labourer had no redress, for all combination in the form now known as trades unions was suppressed, and his condition sank to the lowest depth of poverty and degradation.

You notice that at that time the labourers' wages and keep had to be supplemented out of the relief funds of that day, if I may use that term. The same things is happening in the Dominion of Canada at the present time, where the labourers must be sustained to some extent out of the relief funds of the

municipalities, as came out before the price spread and mass buying committee a little while ago.

Now we go a little further:

What made the condition of the labourers worse still, was the fact that they could neither go from one place to another to seek work, nor could they combine in industrial partnerships for their mutual interests.

What wonderful privileges these people had, when they could not go from one place to another; if they did not like the master they had they could not go and look for another. Now they blame the workers for not going because forsooth they have more of them than they need. Adam Smith said:

We have no acts of parliament against combining to lower the price of work, but many against combining to raise it.

At another place he said:

The workmen, had, of course, no political influence; they could only show their discontent by riots and rick burnings.

So much for the privileges conferred upon the British people by Magna Charta.

Then the right hon. gentleman went further and pointed out that nearly all of the improvements that have come to the working class have come through the Liberal party. That does not agree at all with H. de B. Gibbons. At page 184 of his book he says:

These unions of workmen cried out for the restriction of non-adult labour to ten hours a day, and the Conservative party, who were chiefly interested in the land and not in the mills, supported them readily against the manufacturers, who were mainly Liberals and Radicals.

Then at page 185 he goes on to say:

It is curious to notice how these acts were passed. They all showed the steady advance of the principle of state interference with labour; a doctrine most distasteful to the old Ricardian school of economists, even when that interference was made in the interests of the physical and moral well-being, not only of the industrial classes, but of the community at large. Hence the economists of the day aided the manufacturers in opposing these acts to the utmost of their power, and the laws passed were due to the action of the Tories and landowners. Lord Shaftesbury, Fielden, Oastler, and Sadler were all Tories, though they were accused of being socialists. They were supported by the landed gentry.

We hear just the same thing to-day. Everyone who even suggests that there should be an improvement in the condition of the working masses is termed a socialist or a bolshevist or a communist right away. It does not make any difference whether he belongs to the group here or on the government side of the house.

Then we go a little further. I wish the hon. member for Weyburn were in his seat.

John Bright especially distinguished himself by his violent denunciation of the Ten Hours bill, which he characterized as "one of the worst measures ever passed in the shape of an act of the legislature."

That was before this bill was introduced, of course. John Bright was the great apostle of free trade, yet he was strongly opposed to any improvement in the condition of the working class through reduction of hours, or possibly increase of wages.

Mr. GARLAND (Bow River): So is the hon. member for Weyburn.

Mr. MacINNIS: Quite so, that is why I wish he were here.

Let me give you one other instance of the privileges conferred upon the working class by Magna Charta. In 1834 there were tried, convicted and transported from England to Australia six agricultural labourers. Among them were George Loveless and James Loveless, brothers. I understand that the descendants of these two brothers are living at present somewhere in Ontario. The crime of these men was that they tried to organize the agricultural workers. George Loveless in court made this statement:

We have injured no man's reputation, character, person or property, we were uniting to preserve ourselves, our wives and children from utter degradation and starvation.

It is a long way from prosecuting people for organizing, to passing laws to compel them to organize for their own good. We certainly are moving, and I hope in the right direction. The judge in passing sentence on them said:

Not for anything you have done, or, as I can prove, that you intended to do, but for example to others, I consider it my duty to pass the sentence of seven years penal transportation across His Majesty's high seas to each and every one of you.

So much then for Magna Charta and the favours it bestowed upon the British people.

Mr. DUPUIS: That is what will happen to farmers if they do not obey this legislation.

Mr. MacINNIS: One of the terms of the charter was that:

To no man will we sell or deny or delay right or justice.

I wonder who it was that denied or delayed right and justice to these people even up to seven hundred or more years after Magna Charta was signed? The very class which at the point of the sword compelled King John to sign the charter.

In 1842, coming still further down, I find this in a report made by the children's employment committee, describing the employment of the children in the mines:

Chained, belted, harnessed like dogs in a go-cart, black, saturated with wet and more than half-naked, crawling upon their hands and feet and dragging their heavy loads behind them, they present an appearance indescribably disgusting and unnatural.

That was in 1842. I wonder who delayed right and justice to these children, and who is denying them right and justice to-day? The very successors of the barons who wrested the charter from King John at the point of the sword.

So much for the leader of the opposition. Now let me turn to something more pleasant. But before turning to that I notice that Sir Basil Blackett in a certain speech made a little time ago on the necessity of cooperation in industry, made this statement:

I know there are a great many people who quarrel with this doctrine, who hanker after the good old times. They will not believe that Queen Victoria is dead. What they say is, "if only the state would stop interfering, if it would stop doles to the unemployed, if it would stop interference with trade and commerce, if it would adopt complete free trade, then all would be well."

Then he goes on to say:

But would it?

I wish someone would take it upon himself to tell the leader of the opposition that Queen Victoria is dead.

Now let me come to something more pleasant. We are told that no matter what progress the C.C.F. may make elsewhere it will never make progress in the province of Quebec. It was my pleasure to have translated, because unfortunately I could not understand the hon. gentleman when he was speaking in his own language—

Mr. DUPUIS: Who was that?

Mr. MacINNIS: Just a moment and I will give the name. It was my pleasure to have his speech translated before the translation appeared in yesterday's Hansard. I am referring to the hon. member for Quebec-Montmorency (Mr. Dorion), who spoke on April 24, and who had this to say:

The present bill under consideration is one of the most progressive measures ever submitted to the parliament of Canada, and that is what gives it such importance, because by this legislation we are resolutely resorting to regulated economy, particularly in connection with natural products.

That is not exactly the C.C.F. program but it is getting fairly close to it. I have not the pleasure of the acquaintance of the hon. member, but I congratulate him on his advancement. Let me read the first part of our manifesto, which was adopted at Regina last year:

Planning

The establishment of a planned, socialized, economic order, to make possible the most efficient development of the national resources and the most equitable distribution of the national income.

Then the hon. member for Quebec-Montmorency went on to say:

For too long a time—we are aware of this, to-day, more than ever—the state has neglected to carry out one of its primary functions: to regulate the economic activities of the nation, not in the interest or for the benefit of the private individual or group of persons, but in the interest of the collectivity or community.

Then he goes on to say:

Indeed, it is not sufficient to have discovered new methods of wealth production, the means of specially putting such production in circulation and distributing it must be resorted to.

And one other sentence:

The duty of the state is to regulate the purchasing and marketing of natural products so that those who are short may purchase them from those who already have too much.

But why confine it to natural products? Let me quote again from the Regina manifesto, to show how close we are together.

An hon. MEMBER: The last one?

Mr. MacINNIS: Yes, we have only one. The Liberal party have several. When I hear them talking about Liberal policies and principles I wonder which party they really mean, whether they mean Taschereau's policies and principles in Quebec, Pattullo's in British Columbia, Gerry McGeer's, or Mr. King's in this house. There are several others as well, notably those of the hon. member for Weyburn and the hon. member for North Battleford (Mr. McIntosh). I heard that hon. gentleman say the other day, while talking about Liberal policies and principles, that Laurier cured the depression in 1896 by opening up the western provinces. The hon. gentleman forgets that there are no more new western provinces to be opened up, and that if Laurier were back here he would find himself in the same difficulty in which the present leader of the Liberal party finds himself.

Now, Mr. Speaker, I should like to read briefly from the Regina program, to show how closely the hon. member for Quebec-Montmorency approaches it in principle.

Mr. DUPUIS: Is that hon. member ready to pass the third degree of the C.C.F.?

Mr. MacINNIS: I do not know; you will have to ask him, but it makes no difference whether or not he is willing. The difference between those in this corner and those to my right is this: We do not care who improves conditions or who brings in the new social order, so long as it is brought in, while hon. gentlemen to my right want to bring it in themselves.

Mr. GARLAND (Bow River): No, they want to sit still and just let it happen.

Mr. MacINNIS: Perhaps they want to sit still and prevent it from happening. I read from the manifesto:

> It is now certain that in every industrial country, some form of planning will replace the disintegrating capitalist system. The C.C.F. will provide that in Canada the planning shall be done, not by a small group of capitalist magnates in their own interests, but by public servants, acting in the public interest and responsible to the people as a whole.

So far as this bill represents that point of view we are in favour of it. In conclusion let me say that we are certainly and definitely reaching the stage in human society where cooperation will have to displace competition. Yesterday I heard someone on the other side of the house speak of the necessity of international cooperation, but we can never have international cooperation so long as we have competition at home. Cooperation, like charity, should begin at home.

Mr. SAMUEL GOBEIL (Compton) (Translation): Mr. Speaker, I do not intend to speak at great length, at this stage of the discussion, on the present bill. To my mind, the details of the bill should be discussed in committee of the whole house. However, owing to the systematic opposition to the principle of the bill by hon. members opposite—especially, I regret to state, by the Quebec members—

Mr. BOUCHARD (Translation): Especially!

Mr. GOBEIL (Translation): —I deem it my duty, as a representative of a rural county to express, briefly, what I think are the views of my constituents.

I frankly state, sir, that I cannot imagine what purpose hon. members of the opposition have in view, especially those from Quebec, in prolonging the debate on the second reading of this bill—

Mr. BOUCHARD (Translation): So much the better!

Mr. GOBEIL (Translation): —because, of all the provinces, Quebec is, in my opinion, the one which requires the most a measure of this kind, the spirit of cooperation being apparently, less developed than elsewhere. What is the first object of this bill? It is to grant the farming class better regulations for its products and marketing.

This is my interpretation of the bill.

The second object is to reduce the spread between the prices paid to producers and those paid by consumers.

The third object is to furnish the farming class with the necessary mechanism to attain such a purpose.

If we wish, sir, to attain these three objects, why so much discussion, why this obstruction for the last ten days, by members of the opposition, especially by those of Quebec? A number of members opposite hailing from other provinces, while criticizing the bill, have found some good points in it. They admitted, that, even granting the bill not to be perfect —no one, heretofore, made such a claim—the object, at least, was a good one.

I closely followed all the speeches made, in this respect, by hon. members from Quebec and, unless one of them spoke in my absence, I regret to note that not one of them had a good word to say for this bill.

As I stated a moment ago, this bill is, perhaps, not perfect; the hon. Minister of Agriculture (Mr. Weir) made such a statement when introducing it. Moreover, as nothing is perfect on earth, it would be futile to contend that this bill is perfect. However, the government and the hon. Minister of Agriculture, in particular, are willing to accept any constructive suggestion which the opposition may make to improve it. This bill was drafted by the hon. Minister of Agriculture—who, indeed, is well posted on agricultural questions, our friends opposite, on various occasions, have praised him for his attainments in that connection—after consulting with the various farming associations of this country, growers of fruit, potatoes and other products of the farm, associations which represent the elite of our farmers, with the cooperation also of all the officials of his department, experts in agricultural matters, who were not appointed by the hon. minister, but were in the department, long before he took it over, 10, 20 and 25 years before. The hon. Minister of Agriculture devoted more than six months of his time in drafting and improving this bill. Notwithstanding all this, is it not most astonishing

that our friends opposite contend, in the house and throughout the country, that this bill contains nothing worth while.

Unless, sir, hon. members opposite are prepared to state in the house that the Minister of Agriculture and those who draughted this bill deliberately intended to harm, ruin and enslave the farming class, no one will believe, in Quebec or elsewhere, that such a group of experts and agriculturists could have laboured so long to prepare this bill and reach practically no result.

May I recall to hon. members opposite that this scheme is not a new one. Farmers have been requesting a measure of this kind, not only since a month, six months, a year or three years but for ten, fifteen and twenty years past. For a number of years the farmers have been asking the government for some measure which will permit them to market profitably their products and receive a better price proportionately to the price paid by the consumer.

Mr. BOUCHARD (Translation): More promises!

Mr. GOBEIL (Translation): That is the object of this bill. If we are to judge, not by the speeches of hon. members opposite, but by the requests of farmers, producers and experts from every province, even those from Quebec, in fact all who are experts in the matter entertain great hopes in the results which this measure will bring about. A large number of farmers and producers do not share the views of our friends opposite and think that such a bill is necessary, that it will help to regulate the price and enhance the output of farm products.

I do not intend to delay the house nor do I intend to quote excerpts from statements made by hon. members opposite. May I simply refer to the last speeches delivered last Thursday by two members from Quebec: the hon. member for St. Henri (Mr. Mercier) and the hon. member for St. Johns-Iberville (Mr. Rheaume). The hon. member for St. Henri, in the course of his remarks, asserted that this bill would not improve farm products or their grading.

Mr. BARRETTE (Translation): He did not grasp the purport of the bill.

Mr. GOBEIL (Translation): Is there a member in the house who can contend that this bill embodies any provision which might prevent the improvement of farm products? Is there any provision of this bill which affects the grading of products? Notwithstanding the intellectual gifts and legal science of my hon. friend from St. Henri, the elite of the farming class of my province, who approve this bill are in the following situation: A gentleman who has lived all his life in the city, a lawyer, no matter how eminent he may be, states in the House of Commons: Farmers of the province of Quebec and Canada, you do not know what you require, you do not know what will improve your lot; I, as a Montreal lawyer, do not hesitate to make this statement. I have no intention to hurt the feelings of anybody in saying this, because were I to give any advice to lawyers who sit in this house, they could rightly retort that I am not well informed. But such is the situation; our agricultural experts hear of a lawyer who states in this house: Gentlemen, you do not know what you require, and it is I, a Montreal lawyer, who tells you so; the bill that you have loudly insisted on for ten or fifteen years, will not improve your lot, it will be detrimental to farming.

Mr. BOUCHARD (Translation): According to this, if you discuss universities, you should be a member of a university!

Mr. GOBEIL (Translation): If the hon. member for Kamouraska (Mr. Bouchard) wishes to discuss the university question in the house we can again do so.

Another member, sir—I mentioned his name just now and I am pleased to see him in his seat—the hon. member for St. Johns-Iberville, delivered a speech on Thursday last. He made many statements. He should be acquainted with the farming question, and I think he is. The hon. member for St. Johns-Iberville, although not a farmer himself, is continuously in touch with farmers, he must be acquainted with their requirements. To my mind, the hon. member for St. Johns-Iberville, in making the comments which are to be found in his speech, proves that he takes no interest in his constituents.

Mr. BARRETTE (Translation): His mistake.

Mr. DUPUIS (Translation): Very sad.

Mr. GOBEIL (Translation): The hon. member for St. Johns-Iberville stated that farmers had been deprived of their markets, that markets had to be found. The hon. member gave facts. He even pointed out that the farmers owing to the Fordney-McCumber tariff had been deprived of the United States market, our farmers' best market.

Mr. RHEAUME (Translation): I said no such thing, it is Mr. McLean, of Toronto, a good Tory, who makes the statement.

Mr. GOBEIL (Translation): And the hon. member repeated it.

Mr. RHEAUME (Translation): Yes, I did.

Mr. GOBEIL (Translation): And it is a fact.

An hon. MEMBER (Translation): Then, you both said so.

Mr. GOBEIL (Translation): Will the hon. member for St. Johns-Iberville, admit to his constituents that the Fordney-McCumber tariff was put into force when the right hon. Mr. Mackenzie King was in office? Will the hon. member explain to his constituents that, under the King regime, the United States increased their tariff on farm products from 100 to 200 per cent?

Mr. DUPUIS (Translation): Tories were in power in the U.S.!

Mr. GOBEIL (Translation): Will the hon. member remind his constituents, that the then government under the present leader of the opposition, did not protest or even endeavour to remedy the situation? It is a fact that our farmers were deprived of the United States market, I agree on this point with the hon. member for St. Johns-Iberville. Only, they did not lose it under this government, they lost it under the government of which he was a follower, in 1922 and in 1929-30. Why make such statements, when all are aware, farmers like others, of what transpired in connection with the United States tariff?

The hon. member made numerous statements which I do not intend to discuss.

Mr. RHEAUME (Translation): He stated a fact.

Mr. GOBEIL (Translation): Some of his statements were facts, while a large number of them were purely imaginary or conjectural. When one resorts to conjectures, any statement may be made.

The best argument in favour of this bill would be for the farmers of Quebec and Canada, to read, if it were possible, all the speeches delivered by hon. members of the opposition, especially those of Quebec, in this respect.

Mr. DUPUIS (Translation): There would be no more Tories, after that!

Mr. GOBEIL (Translation): Not one of them found anything worth while in the bill. They made all manner of conjectures; that this bill would restrict exports and paralyse trade. They imagined numerous things which are not mentioned in the bill and that no one in good faith can find there. I could imagine that my hon. friend from Richmond-Wolfe (Mr. Lafleche) would send some one to murder me when I am through with my speech.

Mr. LAFLECHE (Translation): There is no danger!

Mr. GOBEIL (Translation): I might fancy so, but this does not mean that the hon. member has any such intention. When certain members attribute such thoughts to the hon. Minister of Agriculture, who worked so hard and did his best to find a remedy for the ills of the farming class, I state it is impossible to believe they are sincere.

One reason only could have influenced the hon. member for St. Johns-Iberville to put forth such arguments. He probably thought that St. Johns-Iberville is so strongly liberal that he could say what he pleased.

Mr. RHEAUME (Translation): Deny anything which I stated in my speech, I am expecting it.

Mr. GOBEIL (Translation): The hon. member's speech from the beginning to the end contains only conjectures. I have just quoted a case which he cannot deny, and the rest of his speech is the same. I may say to the hon. member for St. Johns-Iberville that it is, perhaps, not wise to be too confident. Even if the people of St. Johns-Iberville are strongly liberal, I feel certain that a large number are intelligent, and I shall remind the hon. member that, on a previous occasion, his constituents repudiated him.

Mr. RHEAUME (Translation): When?

Mr. GOBEIL (Translation): Would the hon. member wish me to remind him of the occasion?

Mr. RHEAUME (Translation): Certainly.

Mr. DUPUUIS (Translation): Certainly.

Mr. GOBEIL (Translation): I can read to the hon. member, if he so desires—I do not intend to do so unless he insists—I can read letters to him written by citizens of his constituency and who disapprove his attitude in the house.

Mr. RHEAUME (Translation): From Tories (bleus) like you!

Mr. GOBEIL (Translation): From good Liberals (rouges)! Does the hon. member insist?

Mr. LACRIOX: The hon. member is not discussing the bill.

Mr. SPEAKER: The hon. member should not interrupt in this way.

Mr. LACROIX: But he is not speaking about the bill, at all.

Mr. SPEAKER: I repeat, the hon. member should not interrupt in this way.

Mr. GOBEIL (Translation): Does the hon. member desire that I should read this letter?

Mr. RHEAUME (Translation): I am entirely indifferent.

Mr. GOBEIL (Translation): I shall not insist. I only wish to point out to the hon. member that there are intelligent people in his county and some are dissatisfied with him.

Mr. RHEAUME (Translation): I have never looked upon my constituents as idiots, the proof that they are intelligent is that they voted against your program and put no faith in your promises.

Mr. SPEAKER: Order. If the hon. member wishes to address the house he may do so, in turn. The hon. member now speaking is trying to be heard.

Mr. RHEAUME: The hon. member asked me a question, that is all.

Mr. SPEAKER: Questions should be asked through the Speaker and not addressed directly to hon. members.

Mr. GOBEIL: I am quite satisfied.

Mr. GOBEIL (Translation): All hon. members will recall that on a previous occasion, the hon. member for St. Johns-Iberville stated, when the militia estimates were discussed in the house, that the military school in St. Johns was a disgrace to his county, military men did not behave as respectable persons and were lazy people.

Mr. POULIOT: Mr. Speaker, I rise to a point of order. The hon. member is speaking about the soldiers at St. Johns, and I do not know what connection such reference could have to the marketing bill. His speech should be relevant to the matter before the house.

Mr. GOBEIL: Speaking to the point of order may I say that I asked the hon. member if he were satisfied that I should read the letter, and he said yes. If he does not wish me to read it I shall not do so.

Mr. POULIOT: It could be read only with unanimous consent, and I strongly object to it. If he has something else to say about the bill, let him say it.

Mr. SPEAKER: If the letter or communication is not in order, it should not be read, whether hon. members do or do not object.

Mr. GOBEIL: I am not at all anxious to read it, because I do not wish to be unfair.

(Translation): I do not wish to be harsh towards my hon. friend, he has always been gracious with me, in the past and on various occasions, I do not wish to cause him unpleasantness; however, I know that these letters would interest greatly hon. members of this house. I shall read them on another occasion.

There is perhaps another reason why the hon. member for St. Johns-Iberville should be cautious in his statements, notwithstanding the fact that there are intelligent people in his county. At the next Liberal convention, called for the purpose of choosing a candidate for the dominion election in the counties of St. Johns-Iberville and Laprairie-Napierville, one of the two members who represent these counties will have to sit between two chairs; and, as the hon. member for Laprairie-Napierville is an excellent lawyer and a clever politician, I would advise my hon. friend for St. Johns-Iberville to be cautious and keep an eye on his constituents.

Mr. DUPUIS (Translation): The hon. member may permit me to tell him that he need not worry about us.

Mr. GOBEIL (Translation): I am not worrying. Now, sir, hon. members opposite as well as their leader contended that this bill would restrict trade and especially export trade. Again, I wonder where in this bill can any intelligent member find a provision which restricts local or export trade. All agree that, in these hard times, we must regulate and control trade and especially our export trade. With your permission, sir, I shall acquaint the house with an incident which has come to my personal notice. While in Montreal, last autumn, I called at the office of an exporter who made some comments on live stock exports to the British market. To my amazement, this gentleman informed me that he had exported, that autumn, a few hundred—I cannot state the exact number—milch cows, not thoroughbred but crossed. He told me that a number of them had been sold for more than $100 each—more than £20 sterling. After having given me this information, he added: Unfortunately, it is most probable that we shall

lose that market because certain dealers have shipped to the British market cows that were milch cows only by name. Unless we immediately take the necessary steps to empower the Minister of Agriculture to prohibit the exportation of such cattle on a market which, in the future, is to absorb our surplus of milch cows, that market will be completely closed to us. Is that not a fact which should impress every one of us? Is this not a situation where the Minister of Agriculture and the government should intervene, if we wish to safeguard the advantages we possess on the British market?

Similar situations exist in other activities in our cattle trade; such as fattened steers and chilled meats. This same exporter further informed me that, in the course of the year 1933, many thousand carcasses of beef should never have been exported to the British market because of their inferior quality. In his opinion, these exports are the cause of considerable harm to our trade. This bill aims at remedying this evil. The hon. Minister of Agriculture wishes to help the farming class and this bill embodies the means that farm experts and experienced farmers have suggested to him so as to meet this contingency. This bill will give producers the necessary means to export their products.

A number of members, including the hon. member for St. Johns-Iberville, have stated that this bill would create new crimes. That is terrible! Amazing! But, sir, who is responsible for such criminal offences? What authority orders, for instance, that a man may not purchase a bottle of liquor illicitly without being fined or imprisoned.

Mr. DUPUIS (Translation): It is parliament.

Mr. GOBEIL (Translation): Is it not the provincial legislature or dominion parliament? That is what will happen in this case. Parliament will decide. Parliament will delegate —no, I am wrong—it delegates its powers to no one, but it decrees that all violations to this act will constitute a criminal offence. The courts of this country, as in any other criminal cases, must decide whether the accused is guilty or not. I am not permitted, nor is any other member of this hon. house, to disrobe on Wellington street, in front of parliament, because the law forbids it.

Mr. LAFLECHE (Translation): It would not be proper!

Mr. GOBEIL (Translation): It is not proper because parliament has so decreed. I also wish to tell my hon. friends that it is also the reason why the Doukhobors, in the west, were imprisoned. It is likewise proper that the provincial government should decree that any one found in possession of a bottle of liquor which has not been purchased from the commission, will be prosecuted and fined or imprisoned. I wonder who, in this country, is authorized to decree that any violation of an act sanctioned by parliament constitutes a criminal offence; I also wonder whether the intelligent citizen of my province will take stock in such an argument.

Mr. BOUCHARD (Translation): Are there any beneficial provisions in this bill? Let us hear of them!

Mr. GOBEIL (Translation): The hon. member for Kamouraska (Mr. Bouchard) heard me state at the outset of my speech that I had no intention to discuss the details of this bill. Had my hon. friends opposite been wiser, it would have been better for them to follow such a policy. If they had waited until this bill was before the committee of the whole house to discuss its provisions, it would have avoided the discussion of all these imaginary things which exist only in their mind, will never be put into practice and which the hon. Minister of Agriculture never had in mind.

One more point and I shall close my remarks. We were faced, these last days, with a most sensational statement. When this bill was introduced in the house, almost every province had enacted a measure authorizing these provinces to give effect to this bill. Quebec also authorized such an act. A day or two after the prorogation of the provincial session, the newspapers—I have one of them here—published a statement made by the hon. Prime Minister of Quebec, to the effect that two measures—I shall only refer to this one—

Mr. DUPUIS (Translation): Are you referring to "Le Devoir."

Mr. GOBEIL (Translation): This one is "Le Canada." The hon. member will not impugn the truth of this news item.

I do not intend, sir, to engage in a controversy with the hon. Prime Minister of Quebec so as to find out whether this act is or not ultra vires, because there are, on this side of the house, members who are better qualified than I am to discuss the matter.

Mr. LAFLECHE (Translation): It is an easy matter.

Mr. GOBEIL (Translation): However, as an ordinary citizen, not being highly gifted, I read this bill over a number of times. I had the opportunity to discuss it with the hon. Minister of Agriculture and I may frankly state that no citizen of my province will find anything which might affect provincial rights. If I am not mistaken, international and interprovincial trade are the prerogatives of the Dominion government. The government by this bill has no intention to interfere with personal or provincial liberty. This bill is but a tool afforded to the farmers, the rural class so as to better regulate the marketing of their natural products. However, sir, without entering into the question in order to find out whether this bill may affect some provincial rights, I wish to state to hon. members of Quebec that I shall have no scruple in voting in favour of it. There is no proof whatever that provincial rights are threatened. This bill is intended to protect the interests and liberty of the people of this country and I have no hesitation in approving of it. A number of members opposite, in the course of the present session and in the past have suggested that the British North America Act be amended. Why? Because like all earthly things it is not perfect. Would it not be for the same reason that the hon. Minister of Agriculture had no hesitation in stating that this bill was perhaps not perfect, because it was the work of man? I may point out to hon. members of the opposition, to those of Quebec, that a government that has been guilty, I may even say of the crime of allowing the alienation of our forests, as it happened at the last session of the Quebec legislature, that a government who have committed such an act have no right to raise a question like the present one. You may not be aware, sir, that in Quebec, at the last session, the Liberal government which also has the support of our hon. friends opposite, allowed the rights of timber cut to be mortgaged under licence for an amount of almost $500,000,000, with the privilege of increasing this amount to an unlimited figure.

Mr. BOUCHARD (Translation): Order! Order!

Mr. GOBEIL (Translation): It is the public domain, the property of the citizens of my province. No one will contend, no one will endeavour to make us believe that the timber cut rights can be mortgaged without mortgaging the land, because the tree takes root and draws its life from the soil. The provincial domain which is owned by the people of my province has been mortgaged. If again, by this mortgage of the Quebec national domain, the lumber industry had been saved, if this mortgage had only been given after the watered-stock had been withdrawn from the capital of the Quebec pulp mills, perhaps I would have kept silent and said: To save this industry I sacrificed something. But such is not the case. The soil of my province has been mortgaged, the timber lands of Quebec were sold for the sum of $500,000,000 when the actual value of all these mills in this industry does not amount to $150,000,000. After such an act it does not behoove the Prime Minister of Quebec to criticize this government for introducing this measure which has been requested by the farmers for the last fifteen years and from which everybody entertain great hopes. I do not contend that this bill will be an infallible remedy which will cure all ills from which suffer the farming class, that it will raise the price of butter, cheese and eggs from 50 to 75 per cent. I earnestly believe that the proposed act will prevent the repetition of what took place in the past and the sad state of affairs we witness to-day. In the course of last winter, I stated that butter was dear enough, and even I may have said that it was too dear. Some one interjected that I would not make that statement in my county. I replied: Yes, I would. I shall repeat it at any time. And I have already done so. Do hon. members think that it pleases the farmer that butter should sell at 30 cents per pound in February when he produces none, and that it should sell 17 or 18 cents when he produces some? Is there a member in the house who will contend, with facts to support his contention, that there is a reason for butter prices to drop from 29 or 30 cents to 21 cents, in the space of a few days, as in this present case? The object of bill No. 51 is exactly to prevent such fluctuation—

Mr. BOUCHARD (Translation): Another sop!

Mr. GOBEIL: —which should not exist in the prices of farm products.

We exported, in the course of last autumn, from three to four million pounds of butter. We imported, during the winter three or four million pounds, because we were short of this quantity. Would it not have been more profitable for the farmers to have stored three or four million pounds of butter in the course of the summer so as to market it during winter? I do not know whether this

bill will have that result; however, such is its purpose for all farm products, that is why all fruit growers from provinces where fruit is grown have approved of this bill. That is also why the "Union catholique des cultivateurs de la province de Quebec," which represents the elite of our population and which has as its president a Quebec man, who is very highly rated as an agricultural scientist, Mr. Albert Rioux, has approved this bill. It was also approved by a number of other associations and farming groups in a large number of municipalities. Within the last two weeks, 25 to 30 farmers of my constituency have written to me as follows: For heaven's sake see that this bill is enacted, endeavour to have this measure put through, as we have been asking for such a measure for the last ten years and it is much needed.

I only intended to speak for a few minutes and I find that I spoke much longer than I expected. For all the reasons given, I shall vote in favour of the bill, and if it were possible I would vote twice for it.

Mr. JEAN-FRANCOIS POULIOT (Temiscouata): Mr. Speaker, I have listened with great patience to the speech of the hon. member for Compton (Mr. Gobeil), the hon. prophet of Compton.

Mr. GOBEIL: Never mind about titles.

Mr. POULIOT: I have listened also to the speech of the hon. member for Vancouver South (Mr. MacInnis). It is interesting to note that an answer to the speeches made by hon. gentlemen opposite from the province of Quebec has been given during this debate by hon. members in the far corner. During last summer members of the Tory party were saying throughout Quebec that there were only two parties, the Tory party and the Cooperative Commonwealth Federation. We now see the Cooperative Commonwealth Federation kissing the Tory party. They do not seem to be ashamed to kiss each other.

An hon. MEMBER: Hear, hear.

Mr. POULIOT: I am glad to hear "hear, hear." That is the best answer which could be made to their speeches of last year. The hon. member for Compton referred to the constituency of St. Johns-Iberville but he seems to have forgotten that last session the hon. member for St. Johns-Iberville (Mr. Rheaume) and myself invited him and the Solicitor General (Mr. Dupre) to attend a meeting which was to be held in the beautiful city of Iberville. But neither of them showed up at the meeting. If they like these people so much why did they not come to address them on that occasion? The hon. member for Compton says that he speaks on behalf of the population of Quebec. How can he do that when he is so close to the hon. member for Long Lake (Mr. Cowan), the hon. member for Regina (Mr. Turnbull) and other members of the Ku Klux Klan. It is pretty hard for the hon. member to speak on behalf of the province of Quebec when he is associated in the House of Commons with members of the Ku Klux Klan.

Mr. GOBEIL: Mr. Speaker, on a question of privilege, I object to the remark made by the hon. member. I think I am a good friend of every hon. member of this house but the hon. member has insinuated that there is something wrong about it, something of which a man should be ashamed. I think he has made a reflection upon certain hon. members of the house which should not be tolerated.

Mr. POULIOT: Speaking to the point of order, I do not think it is a reflection. I hope the time taken up in discussing the point of order will not be included in my time allowance.

Mr. SPEAKER: The hon. member to whom the reference was made objects to the statement that he was associated with members of the Ku Klux Klan. He says he was not, and I think it was hardly a fair remark to make.

Mr. POULIOT: All right, Mr. Speaker. If you say it is unfair, I withdraw it. I always comply with the rulings of the chair and I will immediately withdraw the remark and say that the hon. member for Compton is so close to Long Lake and Regina that he cannot speak any more on behalf of the farmers of Quebec. That is my statement and it is perfectly in order. Now, the hon. member for Melville (Mr. Motherwell) said the other day that he was ready to cooperate even with Beelzebub if Beelzebub was able to do something good. Well, politics makes strange bedfellows and we know that the hon. gentleman spoke that way jocularly. But the headquarters of Beelzebub is a place from which no one comes, and if one has to cooperate with Beelzebub it will be from long distance.

Mr. DUPUIS: Long Lake.

Mr. POULIOT: Yes. One reason I object to this bill is that it contains no sort of policy; it is just a scheme. In the bill the word scheme is repeated over and over again. Therefore what have we? Have we a gov-

ernment of statesmen? No, sir. Are they even politicians? No, sir. They are just schemers, because the bill which has been introduced to save the farmers is just a scheme. It is a scheme which we are told will work this way and that way and the hon. member for Compton will find it just as good as the wild strawberry jam which his brother sells to the Canadian National Railways in such quantities.

Mr. GOBEIL: That is pretty small.

Mr. POULIOT: No, but it is a small jar. He likes this bill just as much as he does that jam, but the farmers in that constituency have no opportunity to sell such huge quantities of jam to the Canadian National Railways and other companies, and I can tell him that they will not have such a sweet mind with regard to this bill.

Mr. GOBEIL: On a point of order, Mr. Speaker, I object to the remarks made by the hon. member and I want to make a declaration to the house. I have been, I think—and I put myself in the judgment of the house—very patient with the hon. member, but I want to say to the house that I do not feel belittled at all because one of my brothers takes advantage of the fruit which providence has put at the disposal of the citizens of our province. I feel very much less belittled—in fact, not belittled at all—to see one of my brothers in that business than if one of them were in Mexico in gaol.

Mr. POULIOT: I do not know what the hon. member means. I have no relation in gaol in Mexico, but I would suggest to the hon. member that he be patient. If it hurts him, it will hurt him a lot, and if he is proud of the jam his brother sells in such a quantity, and the government refuses to inform the house, when so many employees are dismissed because it is complained that the Canadian National Railways have no money —well, the hon. gentleman should be ashamed of himself; he should be ashamed of himself to give such opportunities to his brother when he does not give the same opportunity to the electors in his constituency. The hon. gentleman should not make unwarranted statements about anyone. He said that the hon. member for Richmond-Wolfe—

Sir GEORGE PERLEY: I rise to a point of order. The hon. gentleman might confine himself to the bill before the house instead of indulging in personalities.

Mr. POULIOT: I rise to a question of privilege myself. The hon. gentleman says I have a brother in gaol in Mexico. I want him to withdraw that.

Mr. GOBEIL: I never said such a thing. I said I am much more honoured to have one of my brothers in that line of business —and by the way, may I tell the house that the business of my brother has been done without my interference in any way, shape or form, and the quantity he has sold is very limited. He is simply selling what he was asked because they had a demand for it. Coming to what my hon. friend has said, I did not say one of his brothers was in gaol in Mexico; I said I feel much more honoured to have one of my brothers in that line of business than if he was in gaol in Mexico.

Mr. POULIOT: I want him to withdraw completely what he said. If he does not refer to any relation of mine I have no objection, but if he meant any relation of mine I want him to withdraw the remark at once.

The ACTING SPEAKER (Mr. Stirling): I suggest to both hon. gentlemen that they leave their mutual relations alone and speak to the bill.

Mr. POULIOT: I should like the hon. gentleman to withdraw what he has said. I am sorry that the chair is giving a judgment of Solomon, because I think that Solomon would have rendered a different judgment if the matter had been submitted to him. Sir, the time at my disposal is very short. Let me say this to the hon. member for Compton. He will not be a member of this house after the next election; he may be sure of that; and when he casts aspersions on anyone I am glad he is well known throughout the country.

Now let us take the trade of Canada. Let us take our exports to Australia and the other dominions in the years 1930 to 1933 inclusive, and observe the decline in trade in each of those years. Here are the comparative figures: Our exports to Australia in 1930 amounted to $16,334,963. In 1931, after the Prime Minister had met Mr Thomas and indicated his views of Canadian isolation, that trade declined to $6,795,442. In 1932 our exports to Australia amounted to $5,390,008 and in 1933 it was $7,319,193. Our exports to New Zealand in 1930 amounted to $19,187,803; 1931, $12,710,326; in 1932, $3,728,500; and in 1933, $3,611,196. Our exports to South Africa for the years 1930, 1931, 1932 and 1933 were respectively, in round figures: $10,919,321; $10,228,248; $8,401,876; $4,005,983. Our exports to the

Irish Free State amounted in 1930 to $2,712,218. In 1931 and 1932 it was practically the same, and in 1933, after the Ottawa agreements, it was $2,249,044. Our exports to British East Africa amounted in 1930 to $1,707,167. By 1933 it had dwindled to $409,347. Our exports to British India amounted in 1930 to $9,116,711; in 1931, $6,957,536; in 1932, $3,043,431; and in 1933, $2,417,070. Our exports to Newfoundland amounted in 1930 to $12,650,967. In 1931 they were $11,061,777; in 1932 they were $6,900,539; and in 1933, $5,852,278.

We were told that the Ottawa agreements were wonderful. What are the figures of Canadian exports to the United Kingdom?

1930	$283,098,324
1931	220,687,304
1932	174,962,824
1933	185,133,197

That means that in 1933 we exported $98,000,000 less than in 1930, the last year the King government was in power. Then here are some figures of Canadian exports to the British Empire:

1930	$381,000,000
1931	295,000,000
1932	220,000,000
1933	223,000,000

That means that in 1933 Canadian exports to the British Empire were $158,000,000 less than in 1930.

With regard to butter and cheese, at page 1590 of Hansard, the hon. Minister of Agriculture (Mr. Weir) said on March 16:

Mr. Weir (Melfort): Did the hon. member say I stated this afternoon that the United Kingdom was the best market for our dairy products?

Mr. Parent: I understood the minister to say that.

Mr. Weir (Melfort): I did not say it.

Mr. Parent: I accept the minister's statement.

Mr. Pouliot: Therefore the Ottawa agreements are of no use.

In the Daily Bulletin issued by the bureau of statistics for March 29 we read that in the first two months of the year Canada stood in the thirteenth place among dairy producing countries exporting to Great Britain. New Zealand stood first with 3,000,000 pounds of exports, and Canada thirteenth with only 43,000 pounds. Moreover, in February of this year Canada was importing butter in large quantities, 420,000 pounds from Great Britain and 681 pounds from the United States.

Here are some particularly interesting facts about the tobacco business: On March 18, 1932, the Imperial Tobacco Company of Canada wrote to its customers:

The 1931 crop is said to be the best that has been grown in Canada so far, and for this reason we purchased supplies beyond our requirements. It will therefore naturally follow that our purchases from the 1932 crop will most likely have to be curtailed.

Here is what the Prime Minister (Mr. Bennett) said on October 12, 1932, about the tobacco industry in this country:

Canada's potential production of Bright flue-cured tobacco for five years may be conservatively estimated at 50 per cent increase, and within ten years at 100 per cent increase.

That was on October 12, 1932. He went on:

The extension of the present margin of preference for another ten years will enable Canadian producers and exporters to plan production and business relationships for at least this period. This will particularly affect the large producers of Bright flue-cured tobacco in the Norfolk district, who have been taking such at active part in introducing this type of tobacco on the English market.

That was the language of the Prime Minister. The hon. member for South Essex (Mr. Gott) said on October 27, 1932:

The British market consumes annually 230,000,000 pounds of which 200,000,000 pounds have heretofore been imported from the United States. With this twenty-five per cent preference made permanent for ten years the Canadian tobacco growers anticipate that they will enlarge their market and that within a few years the exports of raw leaf tobacco from Canada to the United Kingdom, instead of being eight, nine or ten million pounds, will be at least 100,000,000 pounds a year.

While the Prime Minister was blowing the horn the hon. member for South Essex was playing the same tune on his bagpipes, and this is what happened. In England they have a system of quotas. Wide publicity was given to the statement of the Prime Minister and to the promise that our tobacco growers would have a large market in England, which was repeated by people like my hon. friend from South Essex, with the kind permission of the comptroller of His Majesty's stationery office and His Majesty's customs and excise, a statement was issued by Frank Watson and Company, Limited, and published in London on February 12, 1934 The statement says that there are several countries which are shipping tobacco to England and that now England has stocks on hand of Canadian tobacco for two years and three months hence. That is to say, Mr. Speaker, that for over two years and three months there will be no English market for Canadian tobacco, due to the exploitation of what was

said by the Prime Minister of this country and the hon. member for South Essex and other people.

We very often see a picture in the paper of the Hon. Howard Ferguson. His name was mentioned in the press on March 1 last, April 11 and on April 20. Here is a letter that was written by John H. English, Canadian government trade commissioner, March 6, 1934, from Trafalgar Square, London:

Chemicals, Gelatine, Boxes, Etc.

We are in receipt of your letter of 21st ultimo regarding your desire to be placed in touch with United Kingdom manufacturers of the various articles which you enumerate.

While otherwise we should have been glad to render you assistance, we would explain that all matters pertaining to the development of United Kingdom export trade to Canada, are, according to an arrangement made between the two governments, dealt with by the Department of Overseas Trade of the British government, 35 Old Queen street, London, S.W. 1, who in that connection maintain a service of five trade commissioners resident in the dominion.

Under these circumstances the work of this office is practically restricted to the development of Canadian export trade to this country, and we do not possess facilities for handling inquiries relating to import trade into Canada. We have, consequently, passed your inquiry on to the comptroller general of the Department of Overseas Trade, and you may expect to hear from him shortly, either direct, or through H.M. Trade Commissioner for Canada, Mr. F. W. Field, 1111 Beaver Hall Hill, Montreal.

Mr. Ferguson's idea is that the Ottawa agreements should work only one way. He is ready to promote Canadian exports to England, but according to the letter I have just read, it is the wish of Canada's High Commissioner to have Canadian imports from Great Britain curtailed. That is the tenor of the whole letter. The information that was sent by Mr. English to this correspondent was so useless that he had to communicate with the American office in order to get the information he required. To sum up, if we take the twenty items mentioned by the Prime Minister in his speech of October 12, 1932, we see, comparing the exports of 1933 with those of 1930 that we have an increase of $11,504,000 compared with a loss of $309,991,660.

Now, sir, I have something else that I would like to put on record, a statement of the total external trade of Canada according to the annual reports of the Department of National Revenue for the years 1930, 1931, 1932 and 1933:

[Mr. Pouliot.]

Total External Trade of Canada

1930	$2,393,211,652
1931	1,723,640,743
1932	1,166,069,421
1933	887,097,541

Or in 1933 about one-third of what it was in 1930.

	Imports	Exports
1930	$1,248,273,582	$1,144,930,070
1931	906,612,695	817,028,048
1932	578,503,904	587,565,517
1933	406,383,744	480,713,797

Total Duty Collected

1930	$199,011,628
1931	149,250,992
1932	113,997,851
1933	77,271,964

On the other hand excise taxes had to be increased in order to compensate in a measure for the loss in revenue due to the loss of trade.

Foreign Trade

	1930	1933
United States	$536,688,181	$148,529,831
France	16,693,560	12,781,753
Germany	25,468,414	8,132,635
Japan	30,482,483	10,336,216
Belgium	21,804,282	14,532,198
Italy	11,391,046	4,133,484
China	16,548,959	7,698,572
Argentina	19,206,877	2,509,856

The hon. member for Argenteuil (Sir George Perley) went on a mission to the Argentine in 1931; since then we have had that falling off in trade. I see him smiling, I am sure that good result was due to his trip. In the case of France a treaty has been signed by this government but there is still a substantial decrease in trade.

We hear a lot about a favourable balance of trade. Comparing each of the last twelve months with the corresponding month in the last year in which the King government was in office, we see that there has been a substantial loss in each month. The comparisons are with the figures for the corresponding months four years earlier, starting with April, 1929 compared with April of 1933.

	Decreases	
Month—1933:	Imports	Exports
April	$50,944,545	$30,732,487
May	68,618,187	31,684,220
June	57,925,076	32,735,508
July	48,812,555	25,062,497
August	39,159,264	24,566,976
September	60,681,432	29,966,230
October	75,144,938	59,051,829
November	65,022,138	50,683,742
December	48,997,602	37,591,499
Month—1934:		
January	52,270,953	26,855,310
February	53,330,277	28,847,414
March	65,494,505	31,933,696

It means that, comparing the statement given by the Department of National Revenue for the month of March this year, with that of the month of March, 1930, we see that there is a decrease of $65,494,000 in imports and a decrease of $31,933,000 in exports.

The total loss in exports is:

From Aug. 31, 1930 to Mar. 31, 1931	$ 189,000,000
From Mar. 31, 1931 to Mar. 31, 1932	412,373,365
From Mar. 31, 1932 to Mar. 31, 1933	514,917,712
From Mar. 31, 1933 to Feb. 28, 1934	430,708,409
	$ 1,546,999,486

This is the result of the experiments and schemes of which the government has been so fond. First it was the isolation policy, then the higher tariff, then the Ottawa agreements in 1932 and finally the world conference in 1933. It was all a fiasco. Will it be any better when the Prime Minister goes to sell carrots and turnips on the market square, will he be more successful in handling the trade than he has been hitherto? What I am sorry for is that no one on the other side has enough guts to tell the Prime Minister that he should remove himself gently from the picture and give an opportunity to someone,—to anyone—else. There is my hon. friend the Minister of Railways for instance, he is in favour of the betterment of trade conditions, but he cannot do anything, he has in his way the great obstacle, the Prime Minister. The Prime Minister will not listen to him. Often he has made very good speeches showing his willingness to lower trade barriers, but it is useless to speak about it, the policy can be decided by only one man, and that that one man by the results has been proved wrong. My hon. friend from Compton or anyone else will understand that on behalf of our people we feel indignant when we see the results of the government's policy. We remember what they said, and now seeing what has been done, seeing the decrease in trade with foreign countries and with British countries, who can say that the policy of the government has been successful? Not only that, if my hon. friend will listen a minute, and will look at Hansard, pages 964-5, he will see tables setting out the decrease in production and in home consumption in 1932 compared with 1930. It was such that Mr. R. M. Harrison of Windsor was perfectly justified in writing—

Mr. MACDOUGALL: Have we not increased our trade with the other parts of the British Empire?

Mr. POULIOT: No.

Mr. MACDOUGALL: The hon. gentleman has not studied the trade returns, apparently.

Mr. POULIOT: I would ask my hon. friend to have enough patience to glance through the reports of the Department of National Revenue for the years 1930, 1931, 1932 and 1933; he will see that trade has fallen away almost entirely, even within the British Empire.

Mr. MACDOUGALL: Not at all.

Mr. POULIOT: Will you, Mr. Speaker, please tell the hon. gentleman to keep quiet and devote himself to those interesting reports?

Mr. MACDOUGALL: You would spend your time better in reading them so as to get correct information.

Mr. POULIOT: Mr. R. M. Harrison of Windsor said:

> Since, according to Mr. Bennett and other leading economists, restricted farm production is one of the sovereign remedies for our financial and economic ills, it is to be hoped the various fall fairs throughout Ontario offer substantial prizes for the following:
>
> Smallest yield of corn per acre.
> Leanest hog.
> Sheep with shortest wool.
> Cow giving the least milk.
> Largest crop of potato bugs.

This was written by a humourist, and only a humourist could deal with the interjections of my hon. friend from Inverness (Mr. Macdougall).

Now, sir, we have this most important piece of legislation brought in at this stage of the session. To me this legislation is most dangerous, because it is based on the principles enunciated and proclaimed throughout the country by the C.C.F. group. I might put to the government now the questions I put to the C.C.F. group in February of last year, but the government could not answer those questions. The results of our trade are shown in the reports of the Department of National Revenue and the Department of Trade and Commerce. We find that the press is reluctant to publish the official records concerning home consumption and home production because the decrease is so great that they might lose their advertising. Something should be done, but should it be done by the imposition of legislation which is not justified, which is most dangerous, which encroaches upon the rights of the provinces and which cannot be explained by any hon. gentleman in this house? I take the hon. member for Compton, for instance. I admit that he is intelligent, but his speech this

afternoon might be characterized by that delightful French expression, "pot pourri." He is intelligent, as I say, but the only thing he could say about this bill was that he found it good. Is that a reason why we should vote for it? In Quebec they are strongly opposed to this bill because there they abide by the constitution. They respect and stand by the constitution of the land, and they believe that the constitution as it exists is the best protection for all. Therefore, sir, if Mr. Taschereau decided to introduce legislation in accordance with this bill it was in order that the government might not be accused of being unfair or parochial. But there is a reserve in that legislation; Mr. Taschereau wants to hear the illuminating explanations that are to be given by the government, so he has inserted a proviso to the effect that the bill will not come into force until it has been approved by the lieutenant governor in council. I think that was a wise step, because he will have the opportunity of weighing the explanations which may be given by the federal government before imposing that legislation on the province of Quebec.

I am afraid of no one, Mr. Speaker; I fear only God. If anyone in this house tries to impose on me by casting insults or making insinuations of any kind, I am perfectly indifferent. I am above that sort of thing, and I know that when the ministers are unable to answer our questions and when they sit like fence posts there will be some members to interrupt us while we speak. I do not pay any attention to fence posts; I am indifferent to them. I am here to do my duty, and I carry out my duty here in the House of Commons as a loyal citizen of Canada. I do my duty here as my only brother did his duty when he took the first German prisoners to be captured by the 22nd battalion and when he obtained his decoration at Vimy, where he was wounded, as a result of which he remained in the hospital for some time. I am not ashamed of any member of my family, sir; there are no grafters in my family, and that is why I am not ashamed to speak as I do in this house. I am defending the rights of my own people, which have been encroached upon by this government ever since it has been in power. Now I am speaking on behalf of the poor and the humble, who are not members of the Rideau club and who are never seen by the ministers, who do not hear their complaints or learn how those people suffer. They are happy; they are satisfied and contented, but I am here at a great sacrifice to do my duty on behalf of those humble people, whom I have always defended. If the hon. member for Compton had been a member of this house for a longer period he would have known that even against the hon. member for Inverness I have defended the rights of the small wage earners of Cape Breton. Sir, I am a very humble citizen, but I am proud of my record and nothing can deter me because I have always done my duty, so I do not have to listen to things of that kind.

Mr. MACDOUGALL: I rise to a question of privilege.

Mr. POULIOT: There is no question of privilege in what I have said.

Mr. MACDOUGALL: The hon. gentleman said that at one time he had to defend the rights of the miners of Nova Scotia against me. Without hesitation I say that is an absolute falsehood. He never had to do that; no one ever had to do that, because there never was a man in the House of Commons who stood up for the miners of Nova Scotia more than I have done. I know more about them than is known by ten people like the hon. member.

Mr. POULIOT: My answer to the hon. member is that the state in which he appears to be is the only excuse for what he has said.

Mr. MACDOUGALL: I ask you, Mr. Speaker, to direct the hon. gentleman to withdraw that remark unequivocally.

The ACTING SPEAKER (Mr. Stirling): The hon. member has made a statement in regard to the hon. member for Inverness (Mr. Macdougall) which he is asked to withdraw.

Mr. POULIOT: Well, sir, if I am to withdraw the hon. member must withdraw the word "falsehood" which is not parliamentary.

Mr. MACDOUGALL: You withdraw; if you do not I will go over there, and you will do it quickly.

Mr. POULIOT: If we are to withdraw together, all right; if we are both to withdraw I will do so graciously.

The ACTING SPEAKER (Mr. Stirling): The hon. member must withdraw.

Mr. POULIOT: If you say so, sir, I accept your ruling but on the other hand I may tell you that while we were discussing—

Mr. MACDOUGALL: Unequivocally.

Mr. POULIOT: I am speaking to a question of privilege now, because I am through with my speech. Years ago, Mr. Speaker,

when we were discussing the low wages paid the small wage earners in Nova Scotia I gave a message to the hon. member for Inverness to deliver to the then Premier of Nova Scotia, but he never said a word about it.

Mr. MACDOUGALL: Did I oppose that? Was I not the first man to see that the eight hour day was instituted on public works throughout Canada?

Mr. POULIOT: But I gave him a message to the then Premier of Nova Scotia, and the hon. member never delivered it.

The ACTING SPEAKER (Mr. Stirling): The hon. member's time has elapsed.

Mr. J. S. STEWART (Lethbridge): Mr. Speaker, I trust the hon. member who has just taken his seat will not think it discourteous on my part if I do not attempt to follow him in the arguments he has brought forward in connection with the bill, because in the time at my disposal I intend to approach the matter from an angle entirely different from that pursued by the hon. member.

Having the honour to represent in this house a constituency in which the majority of the people are engaged in agricultural pursuits, my action in supporting the second reading of this measure, namely one to improve the methods and practices of marketing of natural products in Canada and in export trade, will, I am confident, meet with the approval of a majority of these people. The people in my constituency, irrespective of political leanings—whether they be Conservative, Liberal or supporters of the Cooperative Commonwealth Federation—desire that this legislation may become law, and that such condition may be brought about as quickly as possible. They realize that from the application of the provisions contained in this measure great good may accrue to the western farmers. I desire therefore to approach my discussion of the matter from the point of view of the farmer of southern Alberta. Even at the risk of repeating some of the arguments already made I desire to place on record the attitude of the men living in that section of Canada which I have the honour to represent. I should like to devote the latter half of the time allotted to me to an exploration of the possibilities of our receiving some assistance from the bill, and particularly the extent to which two important branches of agriculture carried on in southern Alberta may be affected.

First may I inquire as to why it is necessary for us to have this legislation, and why is it termed legislation which is urgently needed? My first answer would be that the farmers of Canada, together with farmers throughout the whole world, have suffered severely from the drop in commodity prices. I have before me a comparison showing the figure for to-day as compared with that of the year 1926, and it indicates that farm products in Canada have declined by 47·7 per cent. There is much less decline to-day than there was one year or even two years ago. I find that wheat has fallen to-day to the extent of 55·7 per cent, giving an index figure of 44·3. When we are dealing with wheat we are dealing with the most important product of western Canada. When we turn to manufactured goods we have to-day the figure of 75 per cent as compared with 100 in 1926. The purchasing power of the dollar has increased 36·7 per cent.

Although the farmers in Canada and the world over have received for their products prices which were unremunerative, yet having to meet the demands of their creditors they have increased rather than reduced their production. They have tried to make up in volume what they lost in value. As a result the world market has been flooded; it has been overloaded with goods and commodity prices have fallen to a very low level. Our domestic market suffered similarly, and many examples could be given to show the wastage which resulted from lack of a definite marketing plan or system of marketing.

My second reason for believing that the present legislation is necessary is that the countries of the world have placed restrictions against the exchange of goods between nations. What are the policies which, having been placed in operation, have restricted international trade? Before the war the most important method by which we restricted imports was through the instrumentality of tariff duties. Since the war, however, various other methods have been adopted and used extensively. The type of restrictions applicable to trade in agricultural products can be divided into two major classes, the first of which consists of import restrictions. Under that heading I make four subdivisions, namely milling regulations, import quotas, licensing of importers and foreign exchange. The second major class is that of export aids and restrictions, and again I make four subdivisions, namely, commercial treaties, export bounties, improvement by inspection in the quality or standard of the article, and restriction of exports.

The effect of these restrictions has been felt in every part of the world, and in that statement Canada must be included. The bureau

of statistics of the League of Nations records a loss of twenty-five per cent in volume of world trade, certainly old trade lanes have disappeared and very few new ones have taken their place. These restrictions have had such an effect upon world trade that various countries of the world have found it necessary to pass legislation to effect control of production, marketing and prices. I have before me a file giving the number and names of measures passed by various countries, and enumerating the legislative acts passed to effect control of production, marketing and prices. These figures indicate that thirty-six of the leading countries of the world have passed about one hundred and fifty pieces of legislation similar to that now before this house. I shall not weary the house by giving the names of the countries, but should like to place upon the record what has been done in two of the leading nations of the world. First, in connection with France, we have milling regulations in November, 1929, import quotas in September, 1931, import licences in November, 1931, flax and hemp subsidies in July, 1931, and March, 1932, government purchases of tobacco in December, 1931, seasonal tariffs in March, 1932, and a stabilization decree in October, 1932. It is quite evident from that list that France is not anxious that any imports of any kind shall enter that country.

In connection with Great Britain we have the Agricultural Marketing Act of 1931, the Wheat Act of 1932, the Agricultural Marketing Act of 1933, and the Agricultural Marketing Act of Northern Ireland of 1933.

What means are provided within this measure to assist in overcoming the difficulties about which I have spoken? First, what does the measure offer towards a solution of the financial troubles with which our farmers are faced? May I say that none has a more intimate knowledge of those troubles than has the Prime Minister (Mr. Bennett) and the members of his cabinet. I think the executive were convinced long ago that the suggestions put forward by speakers at the Ottawa conferences that the only way in which to restore prosperity to the world was to increase wholesale commodity prices were sound statements. After a careful survey the government were convinced that the best way to assist the farmer was to give him an opportunity to market his goods in an orderly manner. During the last few days we have been told on several occasions that the farmer sells most of his products in the domestic market. It is therefore necessary that some regulation or provision should be incorporated into this bill in order to assist the farmer in the marketing of his goods in Canada. I find that such a system is provided by this bill. First, there is the provision whereby we may prevent the manipulation of prices so that in the future there will not be a drop of two cents in the price of hogs within a week, as has happened recently, and that without any apparent reason. Second, the government will have the power to regulate the spread in prices, as a result of which I feel the farmer will receive a larger portion of the consumer's dollar. Third, we will have the power to take surpluses off the market; if there happens to be an excess of a product at any one time, the government will be able to appoint an agent to take such surplus off the market, store it and return it to the market when an opportunity is found.

With regard to the passing of these 150 acts by thirty-six countries, I should like to ask the house if under these circumstances we should remain idle and if, through a fear of violating the Magna Charta of 1215, we should allow these conditions from without to destroy us without making any effort for our preservation. I feel that the government have the support of the majority of the people of Canada and one of the reasons why they have this support is the fact that this is a government of action. The government is alive to world conditions which affect the welfare of our people and is also alive to our domestic difficulties. The government has not failed us in this difficult situation but has produced a bill which will help us to solve the marketing problems of this time.

The bill has two main principles as its foundation. First, there is the orderly marketing of our products, and, second, it enables us to protect ourselves against destructive action by other countries. I think the government should be congratulated for bringing forward this measure. Praise is particularly due to the Minister of Agriculture (Mr. Weir) who has taken a very prominent part in the construction of the bill. He is an able Minister of Agriculture and has placed in operation many policies which have greatly assisted those engaged in the farming industry. I venture to predict that when his record is written his name in the history of Canada will be more intimately and closely associated with this bill than with any other of his agricultural activities. It is one of the greatest forward steps that has been taken in Canada for the past twenty years.

Many messages have been received by various hon. members from their constituents containing praise for the provisions of this

bill. We have received messages from co-operative organizations, from united farmer organizations, from boards of trade and other public bodies. I should like to place on Hansard some observations which I have gleaned from reading the London Times of April 3. It states:

> The natural products marketing bill which the Canadian government has introduced into the federal parliament seems likely to become the principal issue in dominion politics.

So far as the Conservative party is concerned, we should be very glad to have that happen. The article continues:

> It is a comprehensive measure applying to all primary products, except those of the mines, the principles which recent marketing legislation in Great Britain has applied to certain selected branches of agriculture.

We are applying the principles of the British act to the products of Canadian agriculture. The article continues:

> It may be assumed that the American experiments in economic planning have not been without influence in Canada; but the bill is avowedly based on the British model. If it becomes law and is put into effective operation, Canadian farmers will be organized on the same lines as the British, and the discussion of common problems and the arrangement of satisfactory conditions for mutual aid will be proportionately easier.

That article contains two very important statements. First, it states that our bill is based on the British model. I have heard hon. gentlemen opposite say that they would vote for this measure if it were based on the British model. Here is a statement by the greatest paper published in the English language to the effect that it is based upon the British model. Second, it says that when this measure becomes law the farmers of Canada will be organized on the same basis and in the same manner as are the farmers under the British act and that they will be able to get together to discuss common problems and make arrangements for satisfactory conditions for mutual aid to one another. Is not this something in which this government should take great pride? The article closes with the following statement:

> The endeavour will no doubt be accompanied with mistakes and maladjustments, with temporary losses and inconveniences, but, given perseverence and discipline, there can in the end be no surer way to stable prosperity.

I do not think it would be possible to find a more eloquent tribute to the provisions of this bill than that statement by the editor of the greatest British paper.

Under this bill a marketing board will supervise our exports and will endeavour to see that our products are standard in quality and that there is a continuity and uniformity of supply. This will assist greatly in making a success of the Ottawa agreements.. Those agreements gave us what are now the only stable markets we possess. No matter what may be the results hoped for from this legislation, it is important that we should have it now when we have only restricted markets. It is important that we should have it even though we should have unrestricted markets, but the legislation becomes more important when we have but the one market. The more restricted our markets are, the more imperative it becomes that we retain them by orderly marketing methods and leave nothing to chance or fortune.

It has been stated by our political opponents that Canada suffers from the restricted market which has been brought about by the fiscal policies of this government, but the history and the dates upon which these restrictions were brought into force proves that these charges are without foundation. Let us consider the history of the trade relations between Canada and the United States. From 1913 to 1921 the Underwood tariff was in force in that great country and we find that our domestic exports increased from $139,000,000 in 1913 to $542,000,000 in 1921. In 1921 we sent $192,000,000 worth of farm products to the United States, and of all our domestic exports to the United States 88·4 per cent entered that country free, so that we were operating under what would be practically a free trade policy.

The emergency tariff was applied in 1921 and then we had the Fordney-McCumber tariff from 1922 to 1930. In other words, these policies were in operation when the Liberal government was in power in Canada, and what effect did they have on our exports? Instead of sending $190,000,000 a year of our farm products to the United States, as we had been doing from 1913 to 1921, our exports of farm products to that country dropped to $92,000,000 a year and less. So that while the Mackenzie King government held the reins of power we lost a valuable market for our agricultural products amounting to $100,000,000 a year.

Was it the fiscal policy of hon. gentlemen opposite that brought about this loss? If it is argued that we have lost markets, through our fiscal policy, surely the same argument holds good with respect to their loss of markets. Now the loss of that valuable agricultural market, combined with the restricted

wheat market which prevailed when we came in, had serious effects. The restricted wheat market bore fruit in 1930 by seed which was sown in 1925, when the restrictions were put into operation by European countries, and that is the situation which this government found with regard to our foreign markets when the Bennett administration came into power in August, 1930. So far as our foreign markets are concerned, one might say they at that time absolutely spelled ruin for us. But we had a prime minister who was a man of action and he took action in September, 1930. It was an honest effort to save our country, and it certainly has preserved the identity of Canada.

But what action did the former government take to prevent the loss of our agricultural products market in the United States? Did they retaliate or negotiate? Well, if they negotiated they certainly did not make much of a success of it judging by their record as given to this house in the speech delivered by the hon. member for Vegreville (Mr. Luchkovich) several evenings ago. They did not negotiate because they lacked the weapon with which to do so; and, what was still worse, they publicly declared that they would not take that weapon into their own hands to compel negotiation. Instead, they said to the United States, "You may do what you like about restricting our exports of agricultural products into your markets, we will not retaliate." Above all, we were counselled not to do anything provocative towards the United States.

I find now that I must turn to local matters in so far as this bill may affect agriculture in the riding which I have the honour to represent. Section 12 has this marginal note, that the governor in council shall have:

> Power to restrict importation of natural products which compete with regulated products.

Under the provisions of section 12 I believe that an important branch of agriculture, carried on in the irrigated areas, may receive much needed assistance. I refer to the desire of farmers living in these irrigation districts to have an increase in the acreage sown to sugar beets. Hon. members are well aware that we have $35,000,000 invested in irrigation projects by which we are able to supply irrigation for over 1,000,000 acres in southern Alberta. For many years we have demonstrated that we can grow sugar beets successfully. The cash returns from the sugar beet greatly exceed the returns which the farmer receives for his hay and grain crops. It is necessary to reduce our wheat acreage, and our farmers are very anxious to replace wheat acreage with sugar beets, and instead of 14,000 acres of sugar beets to have 28,000 or 30,000. We have a market at our door. We supply but twenty-eight per cent of the sugar consumption of Saskatchewan and Alberta, the other sixty-two per cent coming from a refinery not located in either of those provinces but hundreds of miles away in the city of Vancouver, and our desire is to replace raw cane sugar, which is imported into this country from Fiji, with sugar from beets grown by Canadian farmers on Canadian soil.

This sugar beet product is equal to the cane product and sells at ten cents per hundred pounds less than is commanded by cane sugar. I would submit the following facts to the house for consideration, so that hon. members may have a knowledge of the value of a factory to a community. In 1932, 2½ per cent of the lands in the Lethbridge northern irrigation district contributed 24½ per cent of the total value of farm products in that area of 100,000 acres, and 2½ per cent of the lands in the Lethbridge northern irrigation district in 1932 contributed 40 per cent of the cash value of the crops grown in that area. In the second place, in 1933, $1,634,000 was spent by the refinery at Raymond for beets, labour, freight and supplies, and it is claimed that the refinery greatly assists in maintaining a population of 10,000 souls. Thirdly, it has been my privilege to examine the contracts made by a privately owned corporation in the sale of lands to farmers. I have examined thirty-eight of these contracts, and after choosing four of the agreements at random I am able to give this information to the house. The four taken are for purchases of land in which the contract price of each amounts to between $4,000 and $4,500. I will take two farmers who have a contract for growing sugar beets and two who have not such contracts but are near neighbours. The first man with a sugar beet contract has, for a period of five years, averaged a payment of over $306 a year on the principal he owes the corporation. The second man with a contract, in the same period of years, has averaged a payment of over $360 a year. Let us turn to the other side of the picture. The first man who has no sugar beet contract has averaged a payment of $50.05 per annum and the second man has averaged a payment of $34.06 over a shorter term of years.

Now you can readily see which class of farmer will be able to discharge the contract he has entered into for the purchase of land from that irrigation company. You can

readily see which class of farmer it is who will soon be able to call his home and his farm his own. Is it any wonder that the farmer who has no beet contract, but who may be just as good a farmer as the man who has a beet contract, is most anxious that we should have an increase in our sugar beet acreage? I find in the Ottawa Citizen of April 27, a dispatch from London as follows:

> London, April 26.—Sugar beet yield of nine tons to the acre has been obtained by British beet growers this year. Earl de la Warre, parliamentary secretary to the minister of agriculture, speaking at a meeting of the Sugar Beet Society in London to-night described this result as "amazing."
>
> Britain could claim a yield equal in efficiency to any country except perhaps Holland, he added.
>
> The meeting also was told British sugar-producers were delivering sugar at a lower price than in any other country in the world, and one-quarter of the sugar consumed here was being produced in the United Kingdom.

That is a very fine record, but we have surpassed that by a large margin, for in 1932 on a 14,000 acreage sown to sugar beets we had an average yield of 10·7 tons per acre. Furthermore, we had a sugar content of 18·41 per cent, the highest on the North American continent. Even last year, which was not a good one for sugar beet production, we had an average per ton yield of 9·3 per acre.

A delegation of men from all parts of Canada, from Ontario, Alberta, Manitoba and Saskatchewan and other provinces who are interested in the extension of the sugar beet industry, met a committee of the cabinet on February 23, 1934, and stressed the great value of and the urgent need for more factories. They also dwelt upon the final paragraph of the report submitted by the select standing committee on agriculture which investigated the sugar beet industry, and reported to the house in 1932. I quote that paragraph:

> Your committee further recommends, that if no successful attempt be made in the immediate future by the refineries to increase the facilities for the manufacturing of beet sugar, the government should take into consideration steps to accomplish that end.

That report was adopted unanimously by this house over two years ago, and since that time there has been no effort made by the refineries to increase or improve the facilities for the manufacture of beet sugar. I would therefore respectfully submit to the government that it is now high time it stepped in and took action.

Section 12 of the bill now before the house gives the governor in council power to impose quotas on imports of regulated products. So far as regulated products are concerned, I may say that the sugar beet is a regulated product. Giving evidence before the committee in 1932, one of the farmers from Ontario was asked if he would like to grow more sugar beets. "Oh my, yes" he said, "just give us the opportunity." We are not allowed to grow any more sugar beets because the sugar refineries cannot take care of the production, and we are asking for an extension of their facilities in order that they may be able to take care of greater production.

I would say that no import lends itself more readily to the quota restrictions than raw cane sugar, for two reasons. First of all, because that import can be replaced by a Canadian product furnished by Canadian farmers, and in the long run it will not cost the consumer one cent more for the refined product which is equally as good as that which is derived from the raw cane. Secondly, there are but five industrial corporations interested in refining cane sugar. Might I add that the management of these corporations appear to have divided Canada into zones for distribution purposes and in these zones there is only one class or grade of sugar sold; there is no competition between companies. When application is made on behalf of these farmers, or when they make application themselves to the government, from the various parts of Canada that raw cane sugar be placed on a quota basis, I trust that their application will be received with the sympathy it rightly deserves and that the government will see to it that Humanity, spelled with a capital H; and I say that in all seriousness—receives the fair and kindly consideration it rightfully deserves. If a quota is applied, and we would urge that it should be applied, then I am certain that the sugar beet industry will receive the aid it now requires and that within two years we shall be supplying twenty-five per cent of the requirements of the Canadian people instead of the fourteen per cent which we now provide, and that instead of three sugar beet refineries in Canada we shall have five. I am as confident as I am sure that I am standing here, that in the not distant future fifty per cent of our sugar consumption in Canada will be supplied from the products of Canadian farms grown by Canadian farmers, and when that day comes it will be a day of rich blessing for the farmers of our land and the labourers of our country.

May I close by recalling to the attention of the house and the country the statement made by the London Times, a portion of which I have already read. I should like to conclude

with this warning, but also with this assurance as to the future of this act: "this endeavour will no doubt be accompanied by mistakes and maladjustments, with temporary losses and inconveniences, but, given perseverance and discipline, there can in the end be no surer way to stable prosperity."

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

PRIVATE BILLS

THE SMALL LOAN COMPANY OF CANADA

Mr. G. R. GEARY (South Toronto) moved that Mr. Speaker do now leave the chair for the house to go into committee on Bill No. 15, to incorporate the Small Loan Company of Canada.

Mr. G. G. COOTE (Macleod): I understood the Prime Minister to say to the house the other night that these bills would stand until the government gave consideration to the matter of bringing in a general act.

Hon. HUGH GUTHRIE (Minister of Justice): Yes, I think that he did say that.

Mr. H. E. SPENCER (Battle River): I have in my hand the statement to which the hon. member for Macleod has made reference. The Prime Minister, speaking to a somewhat similar bill and suggesting that it go to the banking and commerce committee, said, as reported at page 2617 of Hansard:

> While it is being considered there the government will decide whether or not it is advisable to enact legislation to provide that the companies which have already secured charters, as mentioned by the hon. member for East Hamilton (Mr. Mitchell), shall be subject to a general law to the effect that the rates which they may receive, including all charges, shall not exceed a fixed percentage somewhat less than the sum mentioned by the hon. member for Battle River.

I took it that the Prime Minister intended that these bills should stand until the government had decided what rate should be allowed to be charged for money loaned by these companies.

Mr. GEARY: I do not think the Prime Minister quite said that the bills should all stand, but that, having passed, they might be subject to some general legislation. However, I do not wish to press it or insist on going any further. I withdraw my motion, the bill to stand on the order paper.

Bill stands.

[Mr. J. S. Stewart.]

PERSONAL FINANCE CORPORATION

On the order:

House in committee on Bill No. 43, entitled an act to incorporate Personal Finance Corporation.—Mr. Hackett.

Mr. SPEAKER: This bill will stand for the same reason.

MARKETING ACT

ORGANIZATION TO IMPROVE METHODS AND PRACTICES IN MARKETING NATURAL PRODUCTS

The house resumed consideration of the motion of Mr. Weir (Melfort) for the second reading of Bill No. 51, to improve the methods and practices of marketing of natural products in Canada and in export trade, and to make further provisions in connection therewith.

Mr. THOMAS REID (New Westminster): In rising to speak to this bill let me say at the outset that I differ from many members on this side of the house. But with many hon. members I realize and agree that the days of haphazard marketing of farm products have almost passed. We have come to the age of orderly marketing, which I believe to be necessary to-day in regard to most if not all our farm products. When I think of trying to maintain export markets for our farm products I realize the necessity of some such plan of orderly marketing. We have legislation to take care of quality and grades of many lines of agricultural produce, but I believe we shall have to go a step further and have uniformity of quality from one end of Canada to the other. Not only that, but having once obtained a market abroad that market will have to be retained by continuity of supply. I for one realize that the farmer has seen every other industry organized but his own. The farmer has for many years been forced to buy in the dearest market and to sell his goods in the cheapest market because of not having yet been able to combine or organize for the welfare of himself and his fellow farmers. In these days control is necessary. Farmers should not always leave it to others to market their goods, but every effort on the part of farmers to combine for the betterment of themselves and their class has been bitterly opposed by combines and interests concerned.

The present bill seems to me more of a regulating bill than a marketing bill. I am not altogether surprised at that, because we have recently learned that in Australia and New Zealand similar bills are being put into effect, due to the condition of affairs that has arisen in the old country in connection with agri-

culture. As the premier of Australia is reported to have stated, it is far better to have regulation of agricultural exports than to be told by Great Britain that she will have to discontinue or curtail the import of many agricultural products from the antipodes. So it may well be that the regulating feature in this bill has been embodied with that end in view.

If local boards are to be set up, however, I hope they will not be given the power to control production, because such power in relation to farm products might have disastrous results. I have in mind the condition in my own district and up through the Fraser valley, where to-day more milk is produced than can be sold on the fluid milk market in the larger cities. At one time we had a similar condition in regard to eggs. I should view with alarm any possibility of a local board putting a ring around those areas and telling others: "You cannot come in because to-day we are producing more than we can consume." I think a power like that would be far too drastic. I am sure hon. members from the province of British Columbia will agree on this, that British Columbia fruit and milk men believe that the producers to-day should regulate their own production. I would ask the house to note that in the province of British Columbia neither the fruit men nor the milk producers have so far asked any government to bear any of the expense of helping them to market their products.

Mr. SENN: I should like to ask the hon. gentleman a question. When he speaks of control does he mean control of production or limitation of production?

Mr. REID: The two terms are practically the same; if you limit production you are controlling production, but when I made that statement I had in mind the possibility of a local board coming to the conclusion that there were enough growers in a particular area and that no more should be allowed into it, which might limit the further progress of that section of the country and, of course, limit the production of that commodity.

We in the province of British Columbia, in the Fraser valley at least, are not asking for any finacial help, nor have we asked for it from any government. What we ask is that we be given the right to pool all the proceeds in any organization we may set up, and to make levies. In order to make the position clear and to acquaint the house with the conditions existing in that part of the country I think I should take a few moments to give a résumé of the largest organization which exists in the Fraser valley, namely the Fraser Valley Milk Producers' Association. Before going on with that, however, just in passing I should like to refer to a statement that has been made by the hon. member for Winnipeg North Centre (Mr. Woodsworth) both in and out of this house, to the effect that he was very glad to see this government adopting planned economy, shall I say, which has been advocated by members in the far corner. Let me tell the hon. gentleman and the members of this house that in British Columbia the farmers were some years ahead of the Co-operative Commonwealth Federation. Long before that organization was thought of we had this Fraser Valley Milk Producers' Association, and we had the dairy products act put through in 1929, after being proposed in 1928. So we did not have to depend on that group for the suggestion of planned economy; our farmers were progressive enough, shall I say, to get that act put through.

This organization of which I speak was started in 1913, but there was some difficulty in regard to finances and operations were not commenced until 1917. There are three or four plants. One is in Vancouver, which is the headquarters with regard to wholesale milk and creamery products; cottage cheese is made there; there is a storage warehouse and general offices are maintained. Then in the city of Chilliwack, where the hon. member for Fraser Valley (Mr. Barber) resides, they have a utility plant which takes care of butter, cheese, powdered milk, casein and semi-solid butter milk. Then at Abbotsford they have an evaporating milk plant with a capacity of 1,300 cases daily. In 1917 the membership was 848, but by 1932 it had increased to 3,567. The assets, when the company started, amounted to $166,000 in round figures, while to-day they are over $1,000,000. The capital invested at that time totalled $77,000; the present capital is well over $1,000,000. The butter fat handled in 1917 amounted to 1,709,528 pounds, while in 1932 the butter fat handled amounted to 5,724,269 pounds.

Might I point out, Mr. Speaker, that all the capital was subscribed by the individual farmers in $50 shares; deferred payments were permitted, at the rate of from one to four cents per pound of butter fat, and if necessary payments were made in stock instead of in cash. Six per cent interest was paid on all paid up capital, but this organization has never received any financial assistance from any government. During the peak of production each year they finance by

means of loans from the bank, the loans being retired as the stocks are reduced. In these years the butter fat handled totals well over 58,000,000 pounds, and the total net value to the farmers concerned has amounted to more than $30,000,000. The average price per pound of butter fat, during the whole period, was 52½ cents. I ask hon. members to note particularly what I am about to say, because I think it is very striking indeed; it shows what cooperation can accomplish when farmers get together to market their own product. During the period from 1917 to 1929 the Fraser Valley Milk Producers' Association was able to reduce the spread allowed for fluid milk distribution from 29 cents to 20 cents per gallon; they were able also to raise the value of the fluid milk to the producer by approximately 23 cents per pound of butter fat, without raising the price to the consumer.

I ask the house to take note of that. Not only was the price of butter fat raised; the price of milk to the consumer was not increased during that period. The table I have before me shows the effect of increased prices with regard to increased production, indicating how the law of supply works out if it is not permitted to run wild. The pool value in 1917 was 45 cents per pound of butter fat; the pool value in 1928—I am taking the years before the act was declared to be ultra vires—was 60 cents per pound, an increase of 33 per cent. The butter fat production increased from 2,000,000 pounds, in round figures, to roughly 6,000,000 pounds, while the price for which butter was sold was 40 cents per pound in 1928, as it was in 1917. The price of fluid milk to the consumer was the same in both years also; it was 11 cents per quart. Not only was the price the same during those years; the quality of the milk was greatly improved, due to the introduction of more modern methods and greater cooperation among the farmers.

Some difficulty was encountered, however, because only fifty per cent of the milk produced in the valley is consumed as fluid milk, the other fifty per cent being manufactured into lower priced products such as ice cream, butter and so forth. With the pooling of the prices when the organization was standing together the average was raised so that it did not matter whether a farmer shipped his milk to the fluid market or to the factory; prices were pooled and there was an equal distribution among all the farmers. Some dissension started, however, and one or two farmers who did not belong to the association were offered higher prices in outside distributing centres. A rush was made, which placed too much fluid milk on the market at one time, and as a result the price fell very rapidly. Then the farmers went to the provincial government asking that legislation be enacted which would compel the farmers in any area to come into what was known as the pool. Just here let me say, Mr. Speaker, that we have heard a great deal about the marketing act in Great Britain. It might interest the house to know that the act passed in British Columbia in 1929, which later was declared ultra vires, was the act which guided the farmers in Great Britain. My information is that that act was copied in Great Britain. It would seem therefore that we in British Columbia can take a little credit in this instance for being leaders in an organized effort to control and help the dairy and farming industries.

That legislation was put into effect, and it contained provisions which I believe might well be included in the present measure. I hope that the bill before us, before becoming law, may include the provisions which were embodied in the legislation of the province of British Columbia—and I have referred to that legislation because I think it is as good as the British legislation. Under our scheme sixty-six per cent of the people in an area or attending the public meetings could petition the government so as to compel the other people to subscribe to the scheme. That took place in British Columbia, and there was no great difficulty in obtaining the support of the sixty-six per cent who wished to organize. However there were those who viewed with alarm the fact that farmers were being forced to cooperate. Those people did not want to cooperate, but wished to sell their products by themselves at any and at every time. The bill was attacked and ultimately declared ultra vires of the province because the farmers who were shipping outside the province could not be controlled by the provincial legislation. After the case had been considered at law—and it went to the old country for final consideration—the provincial act was declared ultra vires, because the provincial government could not levy on the farmer anything in the nature of indirect taxation. The act directed the committee to levy upon shippers who sold more than their quota an amount sufficient to compensate those who were obliged to take less than their quota in the fluid milk market. This was called the adjustment levy.

I would ask you to note, Mr. Speaker, that the operation of this plan had a wonderful effect on the maintenance of prices,

because if the farmer sold his milk for less than 73 cents per pound butter fat he would have less than his neighbour who did not sell, for the simple reason that the commission assumed that he got at least 73 cents. The commission were also directed to deduct by levy on every pound of fat produced a sum sufficient to take care of administration costs. Both these levies were found by the privy council to be indirect taxes and declared beyond the competency of the legislature to enact. However, during the period between January 1, 1930, and April 30, 1931, when our markets were operating under that legislation, the parties concerned enjoyed the best market for their products they had ever had or have had since. When the influence of the act ceased to function everyone piled on to the higher priced market—the fluid milk market —which was bringing a rate of 73 cents a pound butter fat, with the result that the price was hammered down within six weeks to 33 cents per pound butter fat, and that low price was maintained for about a year. Then, in April, 1933, the price came up slightly, to 45 cents, and ever since has gradually crumbled away until to-day it is less than 40 cents per pound butter fat. The result has been that with the exception of a very small percentage all the people want to be placed in such a position that they shall be obliged to play the game and not be permitted to abuse the market. I understand that the price now prevailing in the valley is from 12 cents to 14 cents per gallon, away below cost of production.

The position of farmers is different from that of industrialists. When the industrialist has a plant which is not paying he immediately closes the doors, with the result that his deficits and operating expenses cease. But the farmer has his home and his stock; his land cannot be neglected, and he has to continue. In that respect the farmers are different from any other class and are forced to carry on even at a loss. During the past few years most of them have been going deeper and deeper into debt. As to just how long they can carry on at from 12 cents to 14 cents per gallon I should not care to hazard a guess.

After this short résumé of conditions we have experienced in the Fraser valley I shall direct my remarks to the bill now under consideration. May I say that I believe in some respects it goes too far, and in others not far enough. Some hon. members seem to think that the bill contains provisions enforcing pooling. I believe the Prime Minister (Mr. Bennett) stated the bill could deal only in generalities. I am of the opinion that pooling is not at present embodied in the bill. We know that this measure includes products of the forest, sea, lake and mine. Under it assistance might be given to many industries which are in no need of artificial aid. The minister may also set up and dissolve a board. I do not think he should have that right. In my view the industry should ask for the board. As stipulated in the Dairy Products Sales Adjustment Act of 1929 such boards should be established only on vote of the people. That procedure would be entirely democratic, and if it were adopted one could not suggest a dictatorship if a majority of people in a certain area voted to come within the provisions of this measure. Moreover, when we place the control of exports and imports of natural products in the hands of a board we are going a great distance. I am somewhat afraid of the words which appear in subsection (1) of section 5:

> . . . the production and marketing or the production or marketing . . .

I believe marketers alone should not be allowed to set up boards and have control. I do not at this time intend to set up straw men or to cite hypothetical cases, but if marketers alone are allowed to set up local boards I would view with alarm what might happen to the salmon fishing industry of British Columbia, in which instance the product is handled by cannerymen. If a board were set up to take care of the manufactured product it could and might result in measures to the detriment of the fishermen. The same might apply to fruit canning interests. Being apart from the producers it might well develop that the local industry would eventually control the producers.

The clauses in the bill are obscure, and I should like the Minister of Agriculture to take note of the demands made by people in the province of British Columbia who are asking that the provisions as to pooling be made very very clear and definite. Legal authorities in British Columbia have discussed the bill and have made it clear that in their opinion this measure does not at the present time contain pooling clauses. They believe that the federal government should embody in the bill such a provision because that is what the people in the lower Fraser valley are requesting, and also the power to make levies.

I have taken this opportunity to place myself on record, because in my view the bill is very important. I know some hon. members hold the view that marketing is not the

principle behind the bill. I have endeavoured to indicate my belief that there is more regulating than marketing in the bill, but I am prepared to give it the benefit of the doubt and vote for its second reading in the hope that when it gets to committee the matters I have discussed will be taken into consideration and changes made adequately to take care of the representations and demands of the farmers of the Fraser Valley. If these things are not made abundantly clear I shall be forced to vote against the third reading of the bill, but, as I have stated, I am prepared to permit it to go to committee.

Mr. GEORGES P. LAURIN (Jacques Cartier): Mr. Speaker, in speaking to this bill on marketing I am mindful of the fact that I am the representative of the constituency of Jacques Cartier which has a population of over 140,000 people. The population of one of the provinces, Prince Edward Island, is only 88,000 people, so I think it must be admitted that the constituency of Jacques Cartier has some right to consideration in this House of Commons. That constituency is made up of all the elements which go to make up our fair dominion. We have the humble labourer, the descendant of many Canadian generations. We have the farmer who has inherited his farm from his ancestral fathers. We have the immigrant who came from Great Britain or middle or southern Europe who has established himself and has accepted Canada as his only home. We have manufacturers, both large and small, and we have traders, bankers, capitalists and a railway leader. But in discussing this bill I must not forget that the majority of my constituents are consumers like those in the constituency of the hon. member for North Timiskaming (Mr. Bradette). My constituency is on the island of Montreal and my constituents are made up of French and English speaking Canadians. They are both consumers and producers, and contrary to the expressed opinion of the hon. member for North Timiskaming, I am in favour of the bill. I believe that it represents a step toward the fulfilment of the wishes of both the consumer and the producer.

I believe in due course of time the operations of this legislation will result in a fairer spread between the consumer and the producer. The profits derived from the marketing of our rich natural resources will be more equitable and there will be ensured to the manufacturer, to the trader and to the consumer that sound equilibrium which can come only from regulated markets. Agriculture will obtain a fair return for its investment and labour while the consumer will be able to purchase at a price commensurate with the wages he receives. The farmer producer and the labourer consumer will both receive fair treatment and there will be a continuous and steady market for the products of the manufacturer. The agricultural producer will be assured of a home market for his products while the wage earner will be able to give to the agricultural producer a fair return for his product. The returns received by both the producer and the consumer will be sufficient to ensure the manufacturer a steady market for his product. The profits which the manufacturer receives may be somewhat lower but his market will be steady. An equilibrium will be preserved among our principal industries, agriculture, manufacturing and labour. These industries will still be capable of acting for themselves for their own common good, but the fact remains that they must of necessity depend upon one another.

Because of our affinity with England and our proximity to the United States we had hopes that one day—this applies particularly to the province of Quebec—we might emulate the great industrial activities of England and the New England States. At one time England admittedly held the premier place in the manufacturing world. It developed its manufacturing, its commercial and trading activities to an immense degree but it crushed every effort brought forward to protect and secure a market for its agricultural industry. This was done in order that the salaries of the wage earners should be kept at a point where the profits of the manufacturer and the trader would be enhanced. But in time its outside manufacturing outlets became gradually decreased and it then realized the necessity of organizing its agricultural and labour consuming population. This necessity formed the basic reason for the establishing of the British marketing board. Here in Canada we have also allowed our agriculture to decline. This has happened in the west but more particularly in the province of Quebec.

If this were simply my own opinion, I would willingly allow hon. members opposite from Quebec to challenge my declaration, but this opinion has been advanced by one who played a very important part in the direction of our provincial affairs between 1920 and 1930. The Minister of Roads, one of the most important portfolios in the province of Quebec, had obtained for his department a vote of $17,500,000 for the construction of roads in that province. He had however the courage to resign that portfolio and to accept instead that of agriculture. A staunch Liberal, he did

not shirk from denying the compliments which Mr. Taschereau had been continuously showering upon our farmers, on the eve of every election, and he disregarded the flowery speeches of his colleagues. In his first speech as Minister of Agriculture in 1926, at Sherbrooke, and I believe the hon. member for Sherbrooke will admit it, the Hon. L. Perron—for it is he of whom I speak—declared:

Notre agriculture est dans le marasme.

That is to say, our agriculture is in a state of atrophy. I would add, it appears to be in a bog, sinking at the slightest effort, and drastic means must be taken to save it. Unhappily Mr. Perron died. His successor is a most capable man, but his efforts, encouraged one day by Mr. Taschereau, are thwarted the day following. We saw Mr. Taschereau pass a bill to cooperate with the present government in its efforts to alleviate the state of agriculture. But on Tuesday, April 24, 1934, he comes forward with the assertion that this marketing board will infringe upon provincial rights as regards agriculture, and he declares his strict opposition to this bill. Mr. Taschereau is not only a past master in politics; he is also a noted lawyer. He should know better therefore than to try to incite the people of our province to mistakes—he has done it so often to their detriment. Had he read Hansard he would have received a legal lesson from the hon. member for Winnipeg North Centre (Mr. Woodsworth) who, speaking on this bill, drew the attention of the house to section 95 of the British North America Act, which reads:

In each province the legislature may make laws in relation to agriculture in the province, and to immigration into the province; and it is hereby declared that the parliament of Canada may from time to time make laws in relation to agriculture in any or all of the provinces, and to immigration into any or all of the provinces;

The hon. member for Winnipeg North Centre directed attention particularly to the following provision in this section:

—and any law of the legislature of a province relative to agriculture or to immigration shall have effect in and for the province as long and as far only as it is not repugnant to any act of the parliament of Canada.

The hon. gentleman added:

So it would seem to a layman at least that we need not worry too much with regard to the difficulty of jurisdiction if this dominion parliament acts in the matter.

The hon. gentleman may rest assured that that learned lawyer, Mr. Taschereau, will not answer him; Mr. Taschereau will try to wiggle out of the question but will refuse to face the facts and will play politics as before.

I have said that the Liberal party, with its thirty-seven years of reign in our province, has made a muddle of our farming industry. The same applies to our fisheries, as the hon. members for Bonaventure (Mr. Marcil) and Charlevoix-Saguenay (Mr. Casgrain) know only too well. Having fought to obtain the return of the fisheries to the province, the provincial authorities, I am now informed, would like to return them to the federal government if they could do so without admitting that they had muddled the whole industry. If they could only return them without disclosing their errors and mismanagement of the industry they would do so immediately. I am sorry to say however that by his actions Mr. Taschereau is not paving the way to conciliation and cooperation.

I could go further and show his blunder in relation to our major national resources and colonization, but I have said enough. Our farmers, and those whose duty it is to deal with them, are now well aware of the insincerity of Mr. Taschereau towards them, and I feel that the hour has come when they will readily approve of the present measure as a first step towards the rehabilitation of their agriculture.

No doubt the bill as drafted is not perfect; it could not be in a country like ours, so vast and with so many different mentalities throughout the nine different provincial units which form its economic expanse. But I really feel that it is made sufficiently elastic to bring the present organizations, whether provincial or private, into cooperation with those which may be formed by the federal government in order that this new form of government in our industry, not only agriculture but, I would say also, manufacturing—and I am referring to the consumers as well—which may in time be established, may accord with the words of John Pym, indicating the best form of government, as the leader of the opposition (Mr. Mackenzie King) has somewhere said, "actuating and disposing every part and member" of our three principal industries "towards the common good" of each and every individual in our dominion.

If I may paraphrase the words of the leader of the opposition, in another sphere of his activities, I would say that with time this bill, with the various changes which experience alone will show to be necessary, will realize the practical fundamentals of that cooperation required in the agricultural, manufacturing and labour-consuming industry,

to ensure for each that purchasing power which, as the right hon. gentleman has stated elsewhere: "is not only a power limited to obtaining commodities but is a power which extends to controlling"—I use his own words —"conditions under which commodities are produced and services rendered."

I must congratulate our Minister of Agriculture (Mr. Weir) upon bringing down to this house a bill which embodies the principles laid down to a great extent by the leader of the opposition in his book Industry and Humanity. Yet the Liberal leader continues to attack the bill. He declared that it was autocratic and gave to the board to be formed powers which were excessive. Will my right hon. friend allow me, referring once more to his book at page 425, to quote his words as follows:

> Without permitting wide discretionary authority to the individuals chosen to administer and execute the laws, and without reserving to them ample power to give, and to compel obedience to orders, it would be impossible for the business of government in the state to be carried on.

These principles are embodied in the bill now before the house. Some laws are made for political purposes and, so far as the public are concerned, are a sham, presuming to give them something for which they have been asking; but when the hour arrives for putting the measure into force, those who are called upon to execute the law find that they are without power. The present measure is not a political sham law; it is one created to bring about action.

The leader of the opposition and his colleagues appear before the house and the public to be adverse to this legislation, yet is it not a law of coordination, of organization toward our economic recovery? The leader of the opposition in one breath said that his Liberal party concurred in the principles of the Liberal party in England, yet are not the principles of the Liberal party in England founded on the Manchester school of laissez-faire? But in the next breath he declared that his party was not in favour of a policy of laissez-faire as the hon. member for Winnipeg North Centre has declared it to be. If the Liberal party is not in favour of the Bennett Conservative principles of peace and good order as laid down by the present government since 1930 and is not in favour of a policy of laissez-faire, may I ask then whether the leader of the opposition has not led his party to bolshevism and chaos, as was charged last November by one of our most eminent men in Quebec?

[Mr. Laurin.]

One last remark: The hon. member for North Timiskaming (Mr. Bradette) and the hon. member for Hants-Kings (Mr. Ilsley) have declared that this bill does not protect the consumer, and the hon. member for Hants-Kings would have liked to have a consumers' committee formed. Were an exclusive consumers' committee formed, its mission would have tended solely toward the benefit of the consumer, disregarding the interests of the producer. That is not the purpose of the bill; its aim is to create, not class legislation but the cooperation of all members of the nation towards a common goal—purchasing power.

Before resuming my seat may I say that I shall always have a distinct remembrance of this occasion since to-night I have had the honour of making my maiden speech in English.

Mr. D. M. KENNEDY (Peace River): Mr. Speaker, this debate has covered a wide range of arguments both for and against the principle of the bill. I therefore do not intend to detain the house very long, because I doubt very much whether I could refer to anything particularly new in connection with the matter. The bill of course is drawn in somewhat general terms, and consequently lends itself to a wide scope of imagination on the part of hon. members. I have gone over quite a number of the speeches delivered, and the arguments advanced by some would remind one of the mythological story of Pandora's box which was supposed to contain all the ills that flesh is heir to, while others regard it as full of all the blessings that can come to humanity. The bill, however, is an experiment and necessarily so. We are actually trying something that is new and we must do so because we are living under new conditions. Therefore, if it is possible for critics to sit down and point to this, that and the other danger, I am not surprised, because, no matter how much care is exercised, we cannot get away from danger and the possibility of error. How much more, then, is it possible to say that dangers may arise when we are trying to do something that is new? Everything new in the world has been attacked by somebody—new proposals, new discoveries, the good and the bad, have been laughed at.

A good deal of time has been taken up in the house in arguing about just how much evil this board could do if it really wanted to do that. There is no question about it because if you give any individual or board power to do good you cannot separate from that the power to do evil. Every human

being, every human agency has a potential devil as well as a potential angel and we cannot entirely avoid either in anything we try to do. So I am not at all surprised that certain dangers have been pointed out as possibilities arising from the setting up of this board.

There is need for something of this kind. Producers in various lines throughout the length and breadth of Canada have tried to build up their own cooperative organizations and have succeeded in doing some measure of good, but I do not believe there is in this country to-day a cooperative organization that believes it has or really can get control of the marketing situation without some government assistance. I do not know of any such organization. Cooperative organizations in the last ten years have had their ups and downs. I know hardly any cooperative organization that has been functioning with any measure of success, that intends to go back on cooperation and that is not asking for some further control of marketing conditions in the interest of the producers.

I intend to confine my argument and my illustrations to the subject of live stock, because I am more familiar with the conditions pertaining thereto than with those affecting any of the other commodities that may be handled by boards set up in accordance with the provisions of this legislation and working in cooperation with the provinces and cooperative organizations. In 1931 we had a peculiar situation in Canada; one of the cooperatives had a contract to ship cattle to a cooperative in the old land and was doing well, building up reserves until Britain abandoned the gold standard. Then the change in the value of British currency and the drop in prices relative to all prices in this country at once put the export cattle business of the dominion in jeopardy, because there was no way to protect shippers exporting to the old country from the loss arising out of the difference in exchange. I believe if we had had then a board somewhat along the lines of the board now proposed to be set up we might have adjusted that loss, on the small percentage of our cattle being exported, on the basis of the cattle industry itself carrying the burden, thus preventing the ruinous decline of prices that followed and has continued up to 1933.

The leader of the opposition (Mr. Mackenzie King) suggested that this measure was evidence of the fact that parliament is losing control over the executive. But parliament at any session can repeal the act founded upon this bill if it wants to; it can abolish the whole thing, so surely we have parliamentary control. But throughout the whole of his speech, extending over a period of two hours, he did not have a word to say about the plight in which the farmers find themselves due to the very low prices that prevail for their products. The right hon. gentleman said a great deal about liberty. What about liberty? A policeman on the street corner regulating traffic is interfering with liberty, but he is preserving more liberty than he is destroying. The leader of the opposition calls attention to the fact that certain rights were wrested from the crown years ago when the Magna Charta was secured. Then he goes on to say that he is not an advocate of laissez-faire, and points to certain bills passed by Liberals regulating and controlling industry and various groups within industry. The rest of his argument seems to be to the effect that bills passed to regulate industry by other parties should be thrown into the discard or killed. If it was a sound principle in the last century to regulate hours of labour and wages and working conditions, it is just as sound to tackle the problem confronting us to-day, which are creating just as great difficulties for the farmers as were experienced in connection with workers in factories in the centuries past.

The hon. member for Melville (Mr. Motherwell) the ex-Minister of Agriculture, is supporting the principle of this bill, and I am not surprised that he should do so. He had the responsibility when in office of administering the legislation and organization for the control and elimination of bovine tuberculosis and the maintenance and improvement of the health of live stock generally. Every time you have a government organization coming into the picture there is the possibility of coercion of some individuals. Was there no coercion of individuals in connection with the enforcement of health regulations in regard to live stock? Certainly there was, and there were mistakes made. But I submit that because the government came into the picture we made progress in the matter of health of live stock and a healthful food supply for the people of Canada and the people to whom we export our products, and this could not have been accomplished had it been left to individual farmers throughout the length and breadth of the country. The same thing is true in connection with hogs and the control of hog cholera. I submit that individuals cannot do for themselves what governments can do for

them. It is true that there are some things that can best be left to the individual, but it is also true that the best progress has been made through cooperation, between individuals organized in cooperative associations, and between these organizations and governments, provincial and federal. I believe that marketing conditions in Canada and throughout the world, especially in connection with live stock, make it necessary to-day that governments should assist in that problem. How can individual farmers in Saskatchewan or Manitoba or the Peace River country, handling a few head of live stock, keep abreast of the necessary knowledge concerning quota regulations, tariffs, shipping and market conditions in the various markets of Canada as well as of Great Britain? How can individuals and organizations, without some coordinating body, pick and choose and control the sending of the right type of product to Great Britain and decide upon the right type to keep in Canada and send to the various home markets? In order to do that it is necessary to be able to measure the demand. It requires statistical information that individuals have not the time or the facilities to obtain; other information is required as to health conditions and so on. I submit that with a board of the kind proposed there are possibilities of efficient handling and marketing of our live stock, with a guarantee of quality and consequent protection of the name of Canada in connection with its exports to the British market that would not be possible under any other arrangement.

Mr. MULLINS: A man who knows his business.

Mr. KENNEDY (Peace River): I would like to give a few illustrations that come to my mind as to what "rugged individualism" means in connection with marketing, showing why it is a good thing to limit the right of individuals to do what they like. Years ago there was a very good crop of potatoes in Scotland. The price was very low. But when spring came there was a demand for potatoes in New York; some shipments were going forward, and the price improved. Then a Glasgow dealer with more desire for profit than conscience sent over a load of bad potatoes and ruined the market. Would it have been a good thing for Scotland if there had been a board watching the kind of potatoes that went out, with the right to say to this man; "You cannot send these bad potatoes out of the country"? Yet that would be an interference with his liberty. A few years ago in northern Alberta we had some experience with marketing turkeys on the Pacific coast through a government organization. There was what we thought an orderly market, in turkeys going forward in a reasonable flow. Those in charge of the shipments had knowledge of what the market would take and were feeding it, providing enough to meet the demand at reasonable prices. A few others who were interested in shipping turkeys, without any attempt to keep in touch with the conditions, sent out a few extra loads, more than the market would absorb, and the result was they not only took a loss themselves but broke the price generally. It was not good for the producer; it was not good for the consumers, because it certainly interfered with the supply of turkeys from northern Alberta in future years.

I do not believe that this argument about the consumer is well taken. You cannot build a civilization on either producers or consumers alone; you have to consider both. When someone says: "Oh the producers are getting too much; we have got to look at this from the standpoint of the consumer," it seems to me like saying; Here is a man with only one good left leg; all we need is another man with a good right leg. Rather we should say; "We will have a man with two legs, both sound." And so we seek a civilization with two sound legs, represented by producers and consumers. What a body of this kind should aim at is not low prices to the consumers or high prices to the producers, but knowledge of what is a reasonable cost of efficient production, and then see to it that both parties to the bargain get fair treatment. Any other approach to the question of marketing is in my judgment entirely wrong.

It has been said that in this bill the minister is asking for very wide powers. But I would rather ask for powers a little wider than necessary than not wide enough. We shall have to trust someone to use ordinary common sense in connection with the application of this act to industry. It has been said that we should do exactly as they do in Britain. But Britain is a small country, about the size of my constituency, and there are 244 other constituencies. Britain is a country with stability in practically all lines of production, going on from year to year and from generation to generation, while we have tremendous fluctuations in our production, with changes as between district and district and province and province from year to year. It has been said that we should refer every scheme to parliament, but it has been pointed out also that the British parliament sits about twelve months of

the year while we sit only part of the year, and we have ten parliaments instead of one. It is an entirely different thing, and I want to say that we have to try this measure on the basis of trial and error, if you like, using our best judgment as we proceed and learning by experience as we go along. I believe there are sections in the bill that may be amended in committee, but control through a body set up by the central government, cooperating with the provinces and the producers' organizations, is an absolute essential in practically every line of marketing of which I have knowledge.

The hon. member for South Battleford (Mr. Vallance) read into the record two letters which he received, and while in his argument he did not endorse the sentiments they contained they created the impression that the cooperatives of the old country were very much opposed to policies of this sort because we were trying to raise prices to the agriculturists. The hon. member referred to two letters that appeared in the Glasgow Herald, I believe. I think anyone who has sufficient knowledge of the subject to express an opinion must know that agricultural prices must come up; if they do not we had better get ready for wholesale bankruptcy and repudiation, because there can be no avoiding it. Agricultural prices have to come up at least to the point where they will pay the cost of efficient production, or we must face the alternative. But I do not think it is true to say that even the Scottish cooperative does not realize that prices of wheat are too low. The Scottish cooperative had some experience in connection with wheat in Saskatchewan, and they went out of business some years ago. I do not think people who have had an experience of that kind would be expected to think wheat prices should not be raised, as well as the prices of other agricultural products. I obtained from the library of the Department of Agricuture the People's Year Book, the 17th annual of the English and Scottish cooperative wholesale societies, 1934. Under the heading "Prices and Debtors" here is what I found:

> The farmers, and other producers of raw materials and what are called "primary" articles, have been ruined by the fall in their prices because they habitually work with borrowed money, borrowed on contracts made long ago. So the farmer found that in order to pay interest on his debts, he had to sell twice or three times as much wheat as would have met the charge, if the wheat could be sold at the price current when the debt was contracted. In other words, the fall in prices has undermined the solvency of debtors and made debt contracts inequitable, owing to the change in the value of money since they were first entered into. Unless prices can be restored to, and maintained at, a level that will enable debtors to meet their liabilities, a general bankruptcy and scaling down of debts was inevitable. This was especially so in America, where during the boom years debts had been contracted on an enormous scale; and so there was a good deal of justification for President Roosevelt, when he decided that the first and most important thing for him to do was to force prices up, and that the restoration of the gold standard might, as far as America was concerned, wait for a better opportunity.

There we have the clear statement that the Scottish cooperative believes the prices of primary products must be raised, so in setting up a board of this kind I do not think we need fear any danger from that source at all. I wish therefore, Mr. Speaker, to repeat that I support the principle of the bill and congratulate the minister on his attempt to bring something of this kind into effect.

Mr. CHARLES BOURGEOIS (Three Rivers-St. Maurice) (Translation): Mr. Speaker, as representative of the constituency of Three Rivers-St. Maurice, I cannot dissociate myself from the very important measure which the government requests this house to pass in order to create a dominion marketing board.

The constituency which I have the honour of representing, although comprising a relatively large number of industrial factories, particularly those which are engaged in paper manufacturing, is for the most part rural, and the St. Maurice valley includes a large number of parishes the prosperity of which depends especially on farming.

Our country should take pride in the fact that it is our present Minister of Agriculture (Mr. Weir) who conceived, prepared and submitted to the consideration of the house, this bill intended to improve the methods and usages in practice in the marketing of our Canadian natural products and in our trade exports. No doubt the house delights in recognizing and admiring the high intellectual and moral merits of the hon. Minister of Agriculture, and the pure patriotism which has always inspired him in the course of his public life. However, in considering the present bill, submitted for its approval, the house takes especially into account that the hon. Minister of Agriculture is—and he is entitled to be proud of the fact—a genuine and experienced farmer, possessing all the qualities of the man on the land, and, moreover, is the owner of a very prosperous farm where he puts into practice his knowledge.

Mr. DUPRE (Translation): Hear, hear.

Mr. BOURGEOIS (Translation): It is not my intention to enter into the minute details

of this bill; others, possessing a wider experience, I frankly admit, have done so. The hon. Minister of Agriculture, numerous members on your right, sir, and some on the extreme left, have enumerated and set forth the benefits which we will derive from this measure.

It meets with opposition, much opposition, and our opponents not only have raised against its adoption all the objections that their imagination could bring to bear, but it also gave them the pretext to launch against the government an unrelenting attack which had its inception not so much because of the deficiencies in the bill as in the well known habit that our friends have developed of criticizing all measures emanating from this side of the house. However, this was to be expected and there is reason to note once more the inherent weakness of our parliamentary regime which causes certain minds to look upon and discuss questions from the strict viewpoint of their narrow political party interests rather than consider them on their merit and, in the present instance, with the idea of finding the most suitable remedy to the present situation which we all deplore.

Many economists have sought the causes of the present crisis; they have found that they are numerous: the world war, frantic overproduction and unrestrained stock speculations. However, it is not sufficient to limit ourselves to inquiry into the causes only and to confine ourselves simply to an academical discussion, what is of the utmost importance is to endeavour to accomplish something, apply the remedies. Heads of nations have recognized that this was an urgent duty. Hitler in Germany; Mussolini in Italy; Roosevelt in the neighbouring republic, have all maintained in their various respective experiments, that they had found the solution to the disheartening problem.

This is not the time to criticize the experiments tried out in other countries. What is important, however, to note—and I wish to draw the attention of the house on this particular point—is the tendency of governments to intervene in the free action of personal endeavours in order to regulate, concentrate them and thereby make them produce greater results, or what is better, results that they could not produce without such intervention.

But, the cry is raised: It is state monopoly, it is an encroachment on the rights of parliament, an attempt against our parliamentary regime and a step towards oligarchy which would suppress, in favour of a few, the authority that parliament must, by virtue of our constitution, possess over the affairs of our country!

[Mr. Bourgeois.]

The most bitter criticism is, especially directed against these so-called exorbitant powers granted to the governor in council, in the marketing board act. This criticism is, to my mind, most unreasonable. There is no cause for such fears, it is neither a question of state monopoly, such as Plato conceived it in his treatises "The Republic" and "The Laws," or of land nationalization advocated by Henry George. It is a bold measure, I admit, but necessary, the special character of which is justified by the exceptional grave circumstances in which we are situated at present.

Mr. GAGNON (Translation): Hear, hear.

Mr. BOURGEOIS (Translation): Since Louis Hébert established on the Canadian soil of New France the first farm, up to the settling of the Canadian west, numerous generations of farmers, in ploughing and seeding the land, succeeded in making a livelihood for themselves and their families. No one will truly contend that our soil has since become sterile. Whence comes this depression in farming? How does it happen that our farmers, toiling with the same steadfastness and energy, as in the past, on our lands, have, owing to the low prices of farm products, great difficulty in earning a livelihood, so much so that they can say with the "Chemineau" of Richepin:

Je songe aux blés coupés qui ne sont pas les nôtres
Et dont les épis mûrs font du pain pour les autres.

If closely examined we find that it is not, in this instance, so much a question of production as distribution. The establishing of co-operative societies in this country gave rise to great hopes which, unfortunately, were only partly realized. The reason is—as the hon. Minister of Agriculture pointed out—that these co-operative associations did not receive the help to which they were entitled, they were unable to organize on a stable financial basis, they had to meet a disloyal competition by certain corporations which were interested in seeing them disappear and they were also too busy marketing their products without giving a thought to quality and, I shall add, to labelling and packing. Darwin put forth the famous theory of "the survival of the fittest." I am not called upon to express an opinion on this theory from the view-point of natural sciences; however, it seems to me unquestionable that it is an undoubted maxim as regards natural products and their exportation.

Whether it is a question of local, national or world market, it is the best product which not

only obtains the highest price, but has a better chance of finding a purchaser. That is the first object which is sought by the bill under consideration.

Secondly, it is important, that such a product be packed before being marketed, so as to make it as attractive as possible, regardless of its excellence, because, no matter what its quality may be, it will not find a purchaser, if, on the market, there is a foreign product superior to it in this respect. Moreover, it is necessary that it should be well labelled, the label should indicate the place where made and thus ensuring the best and most convincing advertisement.

If the present act which creates a marketing board, the subsidiary boards could bring about these three results, I think that there would be reason to be amply satisfied.

I do not contend that this bill—nor does the hon. Minister of Agriculture do so, as he plainly stated—is on all points perfect; however, to my mind, it is a loyal, sincere and excellent endeavour made to protect the farmer as much as the manufacturer.

Every farmer, in my constituency, that I consulted on the subject—and I had occasion to talk with a large number of them—look upon this measure favourably and they have expressed their faith in its efficiency. Mr. Albert Rioux, President of "L'Union catholique des cultivateurs" approved of it. Mr. J-S. Royer, President of the Canned Fruit and Vegetable Association, also approved of it.

While Mr. Oscar Gatineau in the "Bulletin des Agriculteurs" in its issue of April 5 last, expresses himself as follows:

No doubt, it is a real extraordinary scheme, a new departure. Some fear that the scheme may lead us too far while others think that the government assumes too much power.

We do not believe that any one can even imagine that the government intends to create a board detrimental to the farming class. Of all the governments we have had, at Ottawa, the Bennett government is the one which has shown the greatest readiness to help the farmers. Before contending that too much assistance has been given to farmers, there remains a long way to go. Let us not be anxious about others, they are somewhat there to champion their cause.

Mr. Bennett is not afraid to shoulder responsibilities, he has no hesitation in having the necessary powers turned over to him and he is not afraid to resort to whatever means are necessary to remedy the evils from which we suffer.

The farmers have therefore reason to rejoice in this bill which is being enacted for them and from which there is reason to expect much. What Mr. Bennett has done hitherto for the farming class warrants us to repose confidence in him for what he undertakes.

I do not wish to close my remarks without mentioning the fact that Mr. Robert Ryan, one of the most prominent liberals of Three Rivers and the leader of the Municipal Council of that city, has entirely approved of this bill. In a letter which he forwarded to the right hon. Prime Minister on April 13, 1934, Mr. Ryan enclosed a short essay dealing with the question under consideration and expresses himself as follows:

(Text). I believe the creation of the marketing board is a move in the right direction. On page 2, paragraph 4, in my brief, you will notice I made reference to a Co-operative Sales Corporation for the handling of farm products for exports. The marketing board is another, and perhaps a better method of accomplishing the same purpose.

In the above mentioned essay, he made the following judicial remarks.

I am a firm believer that the farmers of each province should produce all the farm products, for which there is a local demand, and for which the soil and climate are suitable. Products for export should be handled by a Co-operative Sales Corporation. These products, should be put up under a uniform trade mark with the name of the province stamped on each package or container. All produce should be graded and packed according to the instructions of the Sales Corporation.

The time has arrived for planned and not lopsided development, if we want Canada to be developed for the benefit of all its inhabitants, a more balanced rural population compared to the population of the cities and a proper balance between agricultural and industrial production and prices.

A success can only be made of farming when the farmer is decided and follows proper direction. A success can only be made of selling farm produce when the merchants and consumers are convinced that they should purchase such produce on account of quality, regular supply and good service. Therefore, the education of the farmer, merchant and consumer is absolutely necessary.

What is wanted is organization and leadership in centres that should be selected by the government, as points that should be developed for the collection, processing and distribution of farm products.

In this same essay Mr. Ryan, whose suggestions I entirely agree with, pointed out to the government the opportunity of subsidizing the growing of beets and this, especially, in the Three Rivers district.

In that locality and within a radius of 50 miles the soil is most favourable to the growth of this vegetable.

And he quoted in this respect a resolution adopted on April 1, 1922, by the Committee on Agriculture and Colonization, the resolution contained the following recommendation:

Your committee further recommends that, if no successful attempt be made in the immediate

future by the refineries to increase the facilities for the manufacture of beet sugar, the government should take into consideration steps to accomplish that end.

I hope—may I casually say so—that the government will find the means to put into practice these suggestions, for it would be an excellent means of increasing the wealth of this country and thereby reduce unemployment in that section.

I shall close my remarks by pointing out that the object of this bill is an excellent one; that if, in principle, the state must abstain to invade the personal activities of citizens, for fear of paralyzing them, there are situations—and the present is one of them—which necessitate the intervention of the state; that this bill owing to its provisions constitutes a sound measure necessitated by the critical circumstances in which we find ourselves and it behooves all members of this house to set aside all party lines and give it their entire approval.

Mr. HENRI BOURASSA (Labelle): Mr. Speaker, unable as I was, on account of illness, to follow the debate very closely, I have read most of the speeches which have been delivered in support of or in opposition to this measure. However, it was some time before I could arrive at a decision on the matter, because so many good arguments have been put forward on both sides. I should like to sum up as briefly as possible the decision at which I have arrived.

A clear distinction must be made between the object of the bill and parliamentary procedure. It may be because of my old habits as a British parliamentarian, but I think there is some reason for keeping close to parliamentary tradition. At the present stage, all that is before us is the object of the bill as expressed in the preamble and the title. This measure purports "to improve the methods and practices involved in the marketing of natural products in Canada and in export trade, and to make further provision in connection therewith." I think I can safely say that, perhaps with the exception of a few ghosts haunting the ruins of Liberal economics, practically the whole house is committed to the principle of this bill. In fact, the leader of the opposition (Mr. Mackenzie King), who was most effective in several parts of his speech, indicated that he was in favour of some measure to control the marketing of produce, both inside and outside of Canada. In the manner in which he made that statement he practically admitted the desirability of passing legislation to deal with marketing.

Therefore, it seems to me that the only logical position is that taken by the right hon. gentleman himself on the relief and central bank bills. In connection with both those measures he expressed strong views; he invoked the same arguments as he did against this measure, that they were against the spirit if not the letter of the constitution, that they meant the abdication of the rights of parliament to an irresponsible body or to the executive, as far as the spending of money under the relief act was concerned. However, he voted for the second reading of these bills, reserving to himself the right to oppose them in committee or on third reading if they were not amended according to his views. I followed his example in those two instances. When I spoke quite suddenly on the central bank bill it was to oppose the amendment proposed by my hon. friend to my left. I take the same ground now. Being in favour of some measure to deal with the marketing of produce, I am not opposed to the second reading of the bill.

As regards the measure itself I do not propose to follow the unparliamentary example given by most speakers and enter into a close analysis of all the clauses of the bill. That is the work of the committee after the bill has passed its present stage. But the preamble and title of the bill are not comprehensive enough to justify our voting for or against the second reading without entering into a consideration of at least the main features of the bill. In this connection my opinion comes closer to that of the hon. member for Melville (Mr. Motherwell) than to any other opinion expressed in the house. I read his speech very carefully and I am pleased to repeat now what I told him in private, that it is the best speech I have heard from him since I came back to this house.

Mr. MOTHERWELL: That may not be saying very much.

Mr. BOURASSA: Yes, it is saying a great deal. His speech contained as much wit as any of his others, and perhaps was a little more serious.

The bill contains some provisions which are good or which may produce good. It contains other provisions which may produce good or bad results according to the manner in which the law may be administered, but that may be said of almost all legislation. It contains other provisions which in my humble opinion are decidedly bad.

I shall not deal at any length with the constitutional aspect, although there are two features of the bill which could be considered

from that angle. First, there is the one raised by the leader of the opposition, a serious one, of the possible conflict of jurisdiction between this parliament and the provincial legislatures. We come up against that obstacle at every session, and I am afraid the more we have to do with economic and social problems, the more that conflict will be increased. The time will come when, as the Prime Minister (Mr. Bennett) stated so forcibly some weeks ago, the constitution shall have to be revised, in agreement with the provinces. But I shall not deal with that aspect now.

There is a further constitutional issue, the contempt with which the government—I am using the words of the leader of the opposition—treats parliament and parliamentary institutions. Of course, there is some truth in that, but no party in this house has the right to throw stones at their opponents. The Liberal government put this country into war in 1899 by an order in council. That was certainly a far deeper breach of the spirit of the constitution than anything I ever heard of until 1914, when the Conservative administration repeated the same crime with the unanimous approval of the Liberal party. Then again, in 1916, when both parties agreed to prolong parliament beyond its constitutional term, thereby preventing the people to pass judgment on their war policy. That action received unanimous approval with the exception of the hon. member for Nicolet, who resigned. That parliament is now defunct and I can repeat what was then said outside the house: through an infamous pact between the two parties, it prolonged its own life for one year, in utter disregard of the people, in order to plunge Canada more deeply into the abyss of war out of which we have not yet emerged. Surely, at that time, some of the tenets of Liberalism were violated far more deeply than they are by this bill. However, I shall not insist on that at the present time.

The only analysis which I wish to make of the bill is to attempt to foresee the possible operations of the central board and the local boards. As regards the central board to be created by the government, no doubt the leader of the opposition is right when he says that it is practically an abdication on the part of parliament, and even of the executive, a surrender of its powers into the hands of a body very distantly responsible to parliament. But this is only a further step in the direction which parliament has followed for many years, unavoidably in many instances, but perhaps avoidably in others. Some weeks ago, in reference to another matter, I reminded the house that when this parliament created the audit office it abdicated one of its essential functions. It handed over certain powers to a permanent official, nominated by the government and practically independent of the authority of the Commons, inasmuch as he must be impeached by both houses of parliament. In that instance parliament handed over to that official one of its essential functions, namely, the control of its own expenditures. Yet that was considered an extremely wise measure of reform; and on the whole, I think, it has worked for the good of Canada and of this parliament. When the house handed over to the tribunals of the country, to judges irresponsible to the people and to parliament, the power to decide whether in certain circumstances a member of parliament had been properly elected or not, that was again an abdication of an essential function of parliament, which is to control itself and the qualifications of its members. But let us come nearer to our own day. The creation of the railway commission, one of the best administrative acts of the Liberal government headed by Sir Wilfrid Laurier, was the abdication of a parliamentary function into the hands of an outside body. The creation of the Canadian National corporation was a further abdication of the authority of parliament; so was the creation of the wheat board and of the tariff board as well.

In these days of complicated problems precipitating themselves upon the attention of parliament and of the various classes of our people, and upon the attention of the nation at large, in Canada as in all other countries, the action of parliament would be paralyzed if parliament pretended to deal with all such problems as the parliaments of old dealt with theirs. The world has become mechanized; it has become extremely complicated in matters of trade, finance and so forth; and it requires constant attention, study and the effective work of technicians to cope with all the problems that present themselves. Now, admittedly parliament is unable to do that work; governments are unable to do it; and regretful as it may be to old parliamentarians like the leader of the opposition and myself, attached as we are to those time honoured principles of political liberty, we must recognize that facts are stronger than theories and that we must abide by the necessities of our time. Nevertheless I think that the leader of the opposition and all those who have spoken against this legislation have done their duty

and rendered a service to the country in pointing out the dangers in this bill. My friends on the opposite side condemn them for their lack of patriotism because they do not rise above the level of party spirit. Well, I have heard that story from government supporters for the last fifty years; and reading through my parliamentary history of Canada and of England, I find that ministerial supporters have always seen in opposition members a lack of principle, while opposition members have had the same opinion of government supporters. And I suppose that both are equally right and wrong.

It is the duty of an opposition, I will not say to oppose everything, but to criticize; and in order to awaken public opinion they must criticize strongly. It is not the business of the opposition to pass over the defects of ministerial measures. In that regard therefore I would go a little further than the hon. member for Melville. The hon. gentleman balances things. He indicated six good points in the bill, but he did not enumerate the evil points, though he expressed himself quite clearly with regard to some of them. I will not enter into details, but I will state my objections as briefly as possible.

The creation of the central board is I think a necessity in order to cope with such conditions as the Minister of Trade and Commerce (Mr. Stevens) has so ably pointed out, such conditions as exist now in every producing and consuming country, in every importing and exporting country with which we deal at present or with which we may deal in the future. To meet those conditions we must create an economic machinery capable of dealing with the means which those countries have at their disposal. All those countries, whether fascistic, communistic, liberal in the broad sense of the word, or conservative—even old England is moving fast in this direction—are creating machinery to control production, distribution, imports and exports. Even if we adopt the broader policy in trading, which is so ably advocated at each session by the opposition, a policy with which I sympathize much more than I do with the ultraprotective policy of the Conservatives—even if the Liberals came into power and succeeded in getting other countries to purchase more of our goods, selling more of their goods to us—the Liberals would need to have in their hands such legislation as would provide an economic machinery capable of dealing with other countries with their own weapons.

All the countries of Europe have some form of organization similar to that which is contemplated in the first part of this bill, and I think that we are bound to arm ourselves in the same manner. But where my objections are so strong that I will certainly vote against the third reading of the bill if it is not amended, is with respect to all that deals with the organization of local boards. Perhaps in this I am not expressing the views of many on this side of the house, but I must say that I dread much more the tyranny and abuses of power on the part of the local boards than of the central board. The central board will have to deal with the large issues. They will have to follow the trend of trade all the world over in order to find out, as was so well pointed out to-night by the hon. member for Peace River (Mr. Kennedy), what the requirements of foreign countries will be, not next year or ten years hence but this year—what this country will purchase of our apples, what that country is prepared to purchase of our wheat, what the other country will purchase of live stock or meat products, and so on. No local board can do that, nor can any individual. That is a truism, as the hon. member for Peace River (Mr. Kennedy) knows. No individual, no small group of farmers anywhere can do that. Therefore that board must be on the alert and be prepared to inform all producers and exporters throughout the country of the conditions of the market, what produce they should prepare this year for export to this, that and the other country. So far as that is concerned, the creation of the federal board is essential and it must be created as soon as possible; it must set to work from morning to night every day of the week and every week of the month. I repeat: No committee of parliament and no executive power can do that.

But when we come to the question of local boards, I have read with much interest the speech of the hon. member for Last Mountain (Mr. Butcher) who, of course, knows of conditions in England and thus is enabled to enlighten the house as to the defects in this bill. The hon. member for Peace River attempted this evening to answer him by again pointing out something which is very true—the difference in conditions between England and Canada. Of course we admit that, but that does not answer two of the contentions of the hon. member for Last Mountain. There is, first, the danger of creating a small body of men in each locality, in each county, and numerous bodies in each province who, for their own individual or collective interest, may tyrannize over the other producers in the same locality or the same county or, if they arrive at an under-

standing with similar bodies in their region, may tyrannize over the whole region, the whole province and eventually the whole country. Therefore, precisely because of the difference in conditions between Canada and England and because of the difficulty a central board will have of knowing what is really going on in each locality, we may within a short time find ourselves faced with a situation that will be very detrimental to a large proportion of the producers; whether it be a majority or a minority, does not matter very much. In that respect I do not follow the hon. member for Last Mountain. I have no more faith in the infallibility of majorities than in that of minorities. Parties in the minority should not insist too much on the infallibility of majorities. As Montesquieu said once, it would be better in tribunals and parliaments generally to give the award or judgment according to the minority, because the minority is generally in the right and the majority generally in the wrong. That is the condition I dread; I dread it for a large proportion of the producers, farmers, small industrialists, who may directly or indirectly be affected by the operations of this legislation. I dread it most of all for the consumers. The hon. member for Peace River said very properly that producers and consumers are not essentially inimical to one another and that, in a body properly constituted, consumers and producers should act as the two legs under the same body. But I am afraid that this legislation has a tendency to set apart the two legs and to split the body in two. As a matter of fact, the consumer is not even mentioned in this bill; there is no proviso whatever to protect him. Let us not forget, if it is true that the body of the producers and the body of the consumers must not be raised in enmity against each other, consumers to a certain extent are producers and all producers are consumers of other goods which they do not produce. If this legislation is to work for the benefit of all, some great changes will have to be made in order to protect people—whether they be a minority or a majority, I repeat, does not matter—who will not agree to any scheme proposed by any five or ten individuals in any locality, against the tyranny or misrepresentation of the body framing the scheme and sending it to Ottawa to be approved.

The board or the minister will of necessity be subjected to all sorts of influences. We must take men and things as they are in our country as elsewhere, perhaps more so in ours than in many other countries. Political influences will be at work. In constituencies represented by members supporting the government, you will see that schemes will be accepted much more readily if they are recommended either directly by the member or through his friends on those local boards. That will be the case whether my friends to the right or my friends to the left are in power. I have had experience of parties for forty years: the party spirit is the same in every party. Suppose my hon. friends to the extreme left were to come to power and acquire the qualities and defects of the other parties, the same situation would arise. Human nature is always the same.

Mr. MERCIER (St. Henri): That party would be worse than the others.

Mr. BOURASSA: No; do not pose as the Pharisee. It may be said: Then nothing should be done. No; we cannot remain paralysed because of the danger of party spirit or local tyranny. But I insist very strongly on the necessity of incorporating in this legislation proper safeguards, first, against that disposition of a few individuals to control the affairs of their locality, of their region, to their own interest, to the interest of those who would be associated with them, disregarding that of others; and, second, more especially to protect the consumers in all classes of the community and in all parts of the dominion. That is entirely apart from the necessity so ably pointed out by the Minister of Trade and Commerce. His argument applies mainly to foreign trade, and, in that respect, the attitude of the government is in my opinion incontrovertible. Their position is not one of taste; it is one of necessity. They would be remiss in their duty if they did not now cope energetically with this aspect of the problem, dealing with it with a strong hand and creating as powerful a body as they can to handle the situation. But internally the matter is entirely different; internally the views of the leader of the opposition still have great force. Of course you cannot pass legislation controlling any activity without interfering in some degree with individual liberty. But if we want to live under such conditions as we have come to love and as for generations past we have benefited by, not only in this but in the various countries of our origin, we must not interfere with individual liberty beyond the absolutely essential point. This legislation opens the way to all sorts of interferences with the liberty of the farmer, the gardener, the fruit grower, the dairyman, etc., and the consumer.

There is one argument made by the hon. member for Hants-Kings (Mr. Ilsley) which I think has to be considered very seriously as regards internal business. He said the important thing was not so much the control of quantity as of quality. As regards foreign trade I think the Minister of Trade and Commerce has shown in a manner that cannot be disputed that we must control quantity as well as quality with regard to exports and imports. But as regards the exchange of goods between one county and another in the same province, or between different provinces, if you put in the hands of a few individuals in each locality the power to control all the local activities, the shipping of goods to this town and that and the other from east to west, from west to east, I am afraid you will complicate the economic machinery to a much greater extent than you will serve the interests of the various classes.

With these remarks I think I have made it quite clear that in voting for the second reading I am not committing myself to the support of the legislation, but simply following the example of the leader of the opposition as regards the central bank and the relief act, in fact following the traditions of parliament. I support the purport of this bill; I may oppose most of its provisions.

Before closing I would like to pass a remark for the benefit of my friends of the province of Quebec, especially my good Conservative friends from that province, and even some of my Liberal friends. For the last six months some of them have been very busy depicting the group to the left here as something akin to the bolshevists of Russia. The hon. member for Three Rivers-St. Maurice (Mr. Bourgeois) has quoted the opinion of the president of the Catholic Union of Farmers in the province of Quebec in favour of this bill, and of course he approves of it entirely because it is a government bill. But has he reflected that this bill is not only the most socialistic measure that to my knowledge has ever been presented in this parliament, but the one most imbued with the spirit of sovietism, especially that part which I have denounced? The creation of these local boards seems to have been borrowed from the legislation introduced in Russia for the creation of the sovietic local boards which control all local activities. They pretend that they leave each individual farmer to do what he pleases, but they make life impossible to him; the kulak has become a serf on his own land just as much as the member of the kolkhoz. Well, this bill is creating a replica of the kolkhoz under the komintern. Curiously enough that approval of the president of the Catholic Union of Farmers—the Catholic Union, mind you—appeared in the same paper which, the week previous, by the pen of an undoubtedly very honest and clever cleric, denounced the bolshevistic tendencies of Mr. Woodsworth and his party. I wonder if those same defenders of the faith and of social order, always on the alert to see cropping up the spirit of Lenin in the province of Quebec, will uphold the position taken by the hon. member for Three Rivers-St. Maurice and by the president of the Catholic Union of Farmers. If they do, if they remain silent in face of this legislation, then they will strengthen the opinion growing in the province of Quebec that these defenders of state, church and society, are much more concerned about the defence of the Tory party than of ordered society. It will be a new example of that display of zeal for religion which took place at the time an order in council was passed prohibiting the importation of Russian coal in order to enable Senator Webster and his associates to maintain their infernal monopoly in the city of Montreal, thereby reducing thousands of people to misery this last winter. And all that was done in the name of religion! But of course, when a large concern in the eastern part of the province wanted to import Russian oil, they were given a free hand. Religion was endangered by Russian coal coming to Montreal, but religion was in no danger from the importation of Russian oil to enable one of these mergers, so strongly and so properly denounced by the Minister of Trade and Commerce, to make a little more money at the expense of the good people of the province of Quebec. It may look a little out of place, but in face of the kind of propaganda which has been carried on in Quebec for some weeks past, I have thought it my duty to protest and to show—I will not say the hypocrisy; no, I do not like such words—but to show the levity of mind of some people and the danger of fixed ideas. Some people have an obsession concerning Jews and bolshevists; everything good that happens has been in spite of the Jews and the bolshevists, and everything bad is their fault. I have no admiration for the bolshevists; I love the good Jews, such as my hon. friend here. I do not like the bad Jews any more than I do the bad Christians; but I do say that if we educate the good people of Quebec in such disregard of facts, facts economic, facts political and facts social, they will before long cease to be the vanguard of social order to whom the Prime Minister

rendered such well deserved testimony in an interview he gave a few days ago. Once more I say: Do not exploit religion and prejudice when you are dealing with economic questions. Treat them on their merits, and pass the kind of legislation you should pass, without beclouding the issue.

Mr. F. R. MacMILLAN (Saskatoon): First, Mr. Speaker, I want to congratulate the government and the Minister of Agriculture (Mr. Weir) on the introduction of this bill. Having been interested practically all my life in the distribution of merchandise of all kinds, including the products of the farm, I sometimes wonder that the primary producer has got along as well as he has up to this time. If we look about us and then cast our minds back a few short years and see what has happened to the distributing system of this country I am sure we can come to no other conclusion than that the old distributing system has fallen down. The remarks I intend to make I think can be applied to the manner in which the primary producer has suffered in this country during the past number of years.

Let us consider for example what has happened to the wholesale drygoods trade, once a very great business. In Toronto when I was a young man, W. R. Brock & Company was a very big concern, and there were several others, John Macdonald & Company; Caldecott, Burton & Spence, Nisbett and Auld; Robert Darling; Greenshields of Montreal; Gault Brothers of Winnipeg and Montreal; Robinson Little & Company of London and Winnipeg; Stobart of Winnipeg, and R. J. Whitla & Company of Winnipeg. What has happened to all these firms? Every one of them was doing a distributing business of not less than a million dollars a year. But what has happened? They have all gone out of business. The same thing applies to the boot and shoe business and, to some extent, to the grocery business, and, Mr. Speaker, the same thing applies to the primary producer at this time. If the system under which he has been operating for many years past is permitted to continue, the primary producer will go out of business also. It is a marvellous thing, when we think of it, having regard to the distributing system that has been in operation in this country, that we have done as well as we have. The records of Bradstreet and Dun are strewn with the wrecks of these institutions throughout the country, involving hundred of millions of dollars, yet this system has been permitted to continue. I must say that it is my firm conviction, as one who has been in the retail business in a moderately large way for a number of years, as an independent in western Canada, that to some extent the manufacturers have been the architects of their own misfortune. They built up great institutions in this country and gave them secret rebates and concessions that an independent man could not get. The result has been that they have practically no independent men left; that is what it has come to to-day with the advent of the chain stores and branch department stores. That situation has been brought about to some extent by the system which has been employed by the manufacturers of this country, and more particularly by the manufacturers of eastern Canada.

The same thing applies to the manner in which the primary producer has been forced to market his products, and I say it is a good thing that to-day we have a bill going through this house that will give the primary producer some control over the way in which his products will be marketed to the ultimate consumer. I was amazed to hear the remarks of the hon. member for North Timiskaming (Mr. Bradette) the other day. The hon. gentleman said he was a retailer, yet he was concerned about what was going to happen to the ultimate consumer and as to what price the consumer would pay for the products he purchased if this bill came into effect. So far as I know, Mr. Speaker, the consumer in this country has always paid the price, but the primary producer has never received it. There are so many middle men who come in after the product leaves the farm and before it reaches the retail merchant and finally the ultimate consumer; there are so many profits all down the line that the consumer always pays the price.

In addition, Mr. Speaker, in the last few years and particularly up to 1930, we had mergers, amalgamations, maladministration of finances, financial racketeers and bucket shop gentlemen going through the country organizing this and that and merging this and that. To-day in the country there are scarcely any independent business men left, and as a result the primary producer finds himself forced to market a large percentage of his goods through these large institutions. So I think it is about time some sort of machinery should be set up by which the primary producer may have some control over the manner in which his goods are marketed, and I congratulate the minister upon having introduced this measure at this time.

I was also amazed the other day to listen to the hon. member for South Battleford (Mr. Vallance), who spoke for some forty minutes. During his whole speech he did not devote a word to anything other than wheat. I am afraid some of our rural members have a wheat complex.

Mr. SPEAKER: Order. I must ask hon. members to keep better order, since those in the other parts of the house cannot hear what is being said.

Mr. MacMILLAN (Saskatoon): Mr. Speaker, practically ninety-five per cent of our farm products are consumed within the confines of our own country. I contend, and I think my statement can be substantiated, that our own home market is the best market we have. For that reason I say we should protect that market and do everything we can to help the farmers get every cent possible out of the amount paid by the ultimate consumer. Let us consider for a moment the man who grows potatoes, we will say, in eastern Canada. Let me say that I have sold potatoes brought from New Brunswick to Saskatchewan for $3 a bushel, but the farmer in New Brunswick did not get a very large share of the $3 that was paid in the province of Saskatchewan; in fact he did not get what he should have received when there is a short crop of potatoes in this part of the country. On the other hand when there is a short crop in eastern Canada and we have potatoes in western Canada they are shipped by brokers, jobbers and others and the fruit and vegetable dealers and hucksters get the profit instead of the farmers. As I see it the creation of this board is an attempt to direct that traffic and that business where it will bring the greatest return to the grower, and that is all we can reasonably expect. I do not say the bill is perfect; there is no doubt that it will be changed as time goes on, but at least it is an attempt to do something and I think a very great step in the interests of the primary producer.

For many years I have been amazed at the fruit growing industry of western Canada. Men have come to me in past years at their wits' end because of the condition of that industry; many of these men retired from the prairie provinces and went to live in British Columbia because of the climate. They were under the thumb of one of the greatest combines in this country, the Nash Fruit Company, which was fined some $200,000 in 1926 for some of the things it did, but which is still going strong, though now it is merged with a concern known as Western Grocers.

Some years ago a gentleman by the name of Mr. W. P. Riley, then of Port Arthur but later of Winnipeg, bought out the old A. McDonald Company of Winnipeg. He floated a great issue of shares on the market, which were purchased by the public; then the shares dropped to the point where they could not be sold at all. The chain store then came into the picture, and this gentleman established a chain known as the Red and White stores. Now he has these grocery stores all through the country. I do not know what sort of deal he made with them, but it would be interesting to find out.

At any rate this gentleman merged the Western Grocers with this Nash-Symington fruit combine, and to-day they control thirty-five distributing houses in western Canada. I am told that the ordinary brokerage fee on a car of fruit is about $10. I am informed on very good authority—I should say rather competent authority—that this concern collects as much as $40 and $50 per car. They go further; they collect secret rebates from the manufacturers of eastern Canada, and I understand that last year they placed in a special reserve account an amount in the neighbourhood of $100,000. What chance has the primary producer or the fruit grower in the province of British Columbia when he is up against a combination of that kind? So again I say I congratulate the minister on bringing in this measure which will give the primary producers throughout the length and breadth of this country at least a chance to better marketing conditions in connection with the products they grow.

I have been interested in the committee on price spreads and mass buying which from time to time has been holding meetings. In the city of Saskatoon I happen to be a shareholder in a stockyard company. If there is one thing Mr. Speaker, more than another which affects the distribution of products of the primary producer it is in many instances the set up of distributing organizations. The committee would be well advised to go thoroughly into that branch of their investigations.

For a moment I should like to speak about the stockyard in my own city. May I say that I was somewhat instrumental in organizing or having organized the stockyard I have mentioned. Mr. H. P. Kennedy of Toronto, who is now president of the Union Stockyards of Saskatoon and president of the Edmonton Stockyards of Edmonton, and his manager, came to our city, and I hold in my hand an extract from a proposal which they laid before a number of business men of my city when

in 1926 or 1927 they suggested to us, and we to them, that a stockyard should be organized in the city of Saskatoon. The extract is as follows:

It may be desirable however to have a few prominent men in the neighbourhood of the city of Saskatoon interested and a limited amount of stock will be available for them on the same basis as the other subscribers.

Then, I have before me the prospectus of the Union Stockyards of Saskatoon, Limited, in which I find the names of the following directors: H. P. Kennedy, live stock dealer, Toronto, president; Charles Bauckham, trust company manager, Toronto, vice-president; John L. Juhlin, stock yards manager, Edmonton; W. H. Adamson, insurance adjuster, Toronto, and J. H. S. Kerr, manager, Toronto. Norman Sommerville and Company of 67 Yonge Street, Toronto, are given as the solicitors, and the Dominion bank as the bankers. The point I am getting at is this, that the concern I have mentioned was organized and has done very excellent business from its inception. To-day it is beginning to pay and to pay handsomely. I am not so deeply interested in that particular feature, because those of us who put our money into the deal did not do so having in view any great dividends we might derive from it or any handsome returns which might come to us. We were more concerned with establishing a live stock industry in and about the city in which I live, and setting up facilities which would make possible the marketing of live stock on a little more profitable basis than in the past.

Then, as time goes on and the stockyard company begins to make money, what do we find? We must remember that this was one of those Simon pure companies, like many joint stock companies emanating from eastern Canada. Of course we were all to get a fair and even break—and in that statement I include the primary producer. But what do we find? Well, the president of the stockyard, the gentleman whose name I have given, drew a salary of $1,200—of course that is not a large salary; it does not amount to very much. The capital invested was about $58,000. But last year, unknown to the shareholders at Saskatoon, he increased his salary by $2,500, bringing his total salary up to $3,700—and that gentleman does nothing. He lives in the city of Toronto. The work is all done in Saskatoon because the yard is there, the cattle are there and the records are kept there. This man does nothing, or practically nothing, and receives $3,700 for his services. The shareholders receive little or nothing. The directors, Toronto men, I presume obtain a commensurate amount for their services.

We decided we would like to have some information about this company, but we could not get it from the sources from which one would expect to obtain it, namely from the president or secretary of the company. Meeting with this difficulty we deputized a lawyer in Toronto to go out to Mr. Kennedy's office, which, by the way, was at that time at the union stockyards in Toronto, I suppose the Saskatoon company is being charged rent, stenographic services and other charges made in connection with the Toronto office. What I am getting at is this, that in the final analysis all these charges are checked up against institutions in an endeavour to prove that certain businesses are not profitable, and that therefore the farmer should pay the rates that he does pay.

Not being able to obtain directly from the gentleman in question the information we sought, we asked the lawyer friend to interview Mr. Kennedy for the purpose of asking him certain questions. This is the lawyer's reply:

For about ten days before I left, I was in constant communication with Mr. Kennedy's office but could never get in touch with the man himself. Finally I made an appointment with him a few days ago. I attended at his office at the appointed time but he came outside of the office and said he was too busy to see me. I quickly asked him a few questions, and the storm started.

He was most unreasonable in his attitude, and shouted at the pitch of his voice. He told me he had consulted Mr. Norman Sommerville, K.C. as soon as he received a letter from you, as to the exact legal position. He had an interview with Mr. Sommerville, I believe, as he apparently knew who I was and seemed to resent my request to see the books. He said he was willing to allow me, as a representative of a shareholder, to inspect any books or documents of the company where there was any legal right to make such inspection. I told him that I was particularly anxious to find out from the books of the company the amounts which the directors had voted to themselves, and that I also wished to ascertain if the shareholders had ratified any such payments. He became livid when I made this request, and said that he would tell the shareholders from a public platform in Saskatoon about October of this year anything they were entitled to ask. He also stated that if he saw you personally in Saskatoon, he might be willing to give you more information personally than he was inclined to give me as your representative.

He remarked you had not attended the shareholders' meeting where you could have obtained all the information which you desired. I told him you could not attend a meeting in Toronto on account of the distance, and that he ought to give you all reasonable informaton by letter which you could have obtained if you had been able to attend. He entirely disagreed

with this view, having in mind, no doubt, the Biblical quotation which you gave him in one of your letters. I asked him if he refused to give the information in regard to the directors' salaries, but he would not answer the question, stating that whatever my legal rights were, I would certainly receive my legal rights but nothing further. I could see no use in speaking to this man, so I left the office.

This letter is signed by Mr. Cowan.

Mr. VALLANCE: Is this the Norman Sommerville, K.C., who is now acting as solicitor on the price spreads committee?

Mr. MacMILLAN (Saskatoon): The hon. member will have to make inquiries as to who that man is.

Mr. VALLANCE: We just wished to have the connection.

Mr. MacMILLAN (Saskatoon): This letter is signed by Mr. James Cowan of Toronto, a lawyer in that city.

In the statement of the company for the year ended December 31, 1932, an item of $6,186.18 appears. True, this is not a large item, but we have been anxious to ascertain just what it covered and of what it is made up. The fact is that we could never get that information. Several letters were written in regard to the matter. However, having written only a few days ago I received a reply from Mr. Kennedy. The strange point is that the reply should have come just at this time when the price spreads committee is investigating all these matters. I was interested in a remark made by that gentleman the other day in the committee. He was asked this question and made this answer:

Q. You made a suggestion?
A. Under present conditions. This is the time when something wants to be done for the farmers of Canada. This is the time, gentlemen, to make men in Canada, not make fortunes.

That is his statement. According to his own letter, the item of $6,000 odd in this statement is made up of the shares purchased in the Edmonton Stockyards, Limited. He said:

With reference to the investment of $6,186.18 which appears in the statement of 1932, this represents the exact cost to the Union Stockyards of Saskatoon, Limited, for certain shares purchased in the Edmonton Stockyards, Limited.

I understand that for some time the Edmonton Stockyards Limited have not been doing very well and yet this company has been loaded up with shares which are not at all profitable. That is the way they hide some of the profits of this institution. I have before me the auditor's statement for the year ended December 31, 1932, signed by the president Mr. H. P. Kennedy and one of the directors, Mr. J. H. C. Kerr. The profit and loss account shows an income of $49,375.75 and expenses of operation, management and depreciation, $30,156.09. In my judgment that last item should be looked into and broken up, because I do not know how they could spend $30,156.09 on that business. That leaves a net operating profit of $19,219.68 and after deducting miscellaneous charges of $1,700 it leaves a net income of $17,457. The provision for dominion and provincial taxes is $2,679.56, which leaves a net income of $14,777.52. The president does nothing, but for argument's sake we will add his salary of $3,700. Without breaking up this item of expenses of operation, management and depreciation, $30,156.09, there is left a total profit of $18,477.22 on a capitalization or money paid in of $58,225. Ths is about thirty three and a third per cent profit on a stockyard business. If that other item is broken up I have no doubt it will be found that the profits of this stockyard are indeed very handsome. All this has a great bearing upon the price the primary producer receives for live stock passing through the stockyards. This gentleman is very much concerned and he wants legislation enacted to pass all live stock through the stockyards. He claims that prices are depressed if live stock goes direct to the packer. He may be quite right in that; I am not competent to judge, but I do know that if all live stock goes through the stockyards that gentleman will certainly get what is coming to him. In my judgment, that is all he is concerned about.

When we are considering the evidence given by these men engaged in different distributing businesses, we should endeavour to find out just what amount of money they are making out of the business in which they are concerned. I congratulate the minister on bringing forward this measure. It will give somebody the authority to investigate matters of this kind. It is not going to be left to the tender mercies of the farmer alone, as it is pretty difficult for him to do that sort of business by himself.

I have endeavoured to give the house an illustration of some of the things which go on in connection with the marketing of farm products under the present system. I hold in my hand a list of prices obtained for meats in my own city. We have a relief store in that city and while I am not saying that that store is in the best interests of those on relief, the fact is that it is there.

According to this return, in March, 1934, the relief store sold sirloin beef for ten cents per pound while the departmental stores charged twenty cents; for T-bone steaks the relief store charged ten cents per pound while the departmental stores charged twenty-one cents; for prime ribs the relief store charged ten cents while the departmental stores charged sixteen cents and the prices for shoulders were nine and twelve cents respectively. Such a spread is too great and it shows that the primary producer is not getting all of that to which he is entitled.

Without discussing the bill in detail, which will be done in committee, as I see it this bill is a move in the right direction. I think every hon. member should lend it his support in an endeavour to see that the primary producer gets more than what he has received in the past.

Miss AGNES C. MACPHAIL (Southeast Grey): Mr. Speaker, I had not intended to say anything on this bill, as I expected we would vote to-night; but as it looks as though we shall not, I want to take just a moment or two to say that I intend to vote for the second reading of the bill.

There are several reasons why I intend to vote for the second reading. I do not think that the bill is a cure-all, but I do think it is the first step toward national planning. National planning is coming, although just how it will come may not be known to anyone. There must be some regulation in a world in which nation trades with nation rather than the individuals within a nation trading with each other. There must be some regulation in a world in which quotas exist. How can quotas be maintained unless there is some degree of control?

I have not been unduly disturbed by the black picture painted by the leader of the opposition (Mr. Mackenzie King) in regard to the loss of personal and constitutional liberty. Economic liberty is more important, and unless we have it, all other liberties fall into insignificance. I have been surprised at the attitude taken by the official opposition, as I feel it is a mistaken attitude. I think the hon. member for Melville (Mr. Motherwell) has expressed the attitude which should be adopted by all who represent agricultural constituencies. We should be willing to vote for the second reading of the bill, in the hope that those things which we do not like will be ironed out in committee of the whole.

I want to recommend to the official opposition an article by Sir Arthur Salter in the Atlantic Monthly of January of this year. I believe he is a Liberal. In the summary of this article Sir Arthur says:

> It is certain that, out of the stresses and strains of the present period, a system will ultimately emerge which will be substantially different from that to which we have been accustomed in the past. Economic activity will be planned and regulated, perhaps internationally, certainly nationally. The role of the state will be increasingly greater. It will have to transform its methods and equip itself for its new task. Its policy must be planned and not improvised.

That, in a couple of sentences, is how I feel about it. I think that economic activity will have to be planned and regulated, and this bill is an attempt to plan the marketing of natural products. It can be said, and I think fairly, that this bill may be used as an oppressive measure. That is true; it may be. We are taking a chance on the bill, because we cannot help doing so; but it is also true that the bill may provide the framework within which voluntary organizations may regulate the marketing of their own products. Whether some mistakes are made in the meantime or not remains to be seen, but I think that that will finally be done.

There are two other reasons why I shall support the second reading of the bill. In going over it I gather that the government is sympathetic to the cooperative enterprises of producers. I have been for a long time very much interested in cooperative enterprises as conducted by primary producers, and I think too that it may be, by following out the provisions of the bill, that the cooperative processing of natural products will be carried out with some government leadership and assistance. I have come to the conclusion, from having had something to do with cooperative processing, that until leadership is given by government, until there is real encouragement and assistance of one sort or another, it is impossible to carry on successfully cooperative processing establishments.

For all these reasons I am glad to support the second reading of the bill. It is not very often that I have the opportunity of supporting a measure brought down by the government, and therefore when the opportunity offers I seize it gladly. I have received, as I am sure all members have, a resolution from the Ontario Swine Breeders' Association asking for support to the bill. It is signed by people from six different counties in Ontario. And the Canadian Cooperative Live Stock Association have been for many months asking for a bill, if not like this one, at least something like it. I am of

the opinion therefore that it is a more sensible attitude to vote the bill into committee and then seek to make changes, and if they are not made, vote against it on the third reading, than to oppose the bill on the second reading.

Mr. WEIR (Melfort) moved the adjournment of the debate.

Motion agreed to and debate adjourned.

Mr. SPEAKER: Before the house adjourns there is a matter which I feel it my duty to call to its attention. In my unavoidable absence from the house for a short time this afternoon, the member for Témiscouata (Mr. Pouliot), in addressing the house on the second reading of Bill 51, made certain statements which I find unparliamentary. In that connection I would quote from May on Parliamentary Practice, 13th edition, page 316:

For preserving decency and order in debate, various rules have been laid down, which, in the Lords, are enforced by the house itself, and in the Commons by the Speaker in the first instance, and, if necessary, by the house. Any member may notice the violation of these rules, either by a cry of "order," or by rising in his place, and, in the Lords, addressing the house, and, in the Commons, the Speaker. When a member speaks to order, he must simply direct attention to the point complained of and submit it to the decision of the Speaker (see p. 338).

The rules for the conduct of debate divide themselves into two parts, viz.: such as are to be observed by members addressing the house; and those which have regard to the behaviour of members listening to the debate.

I would respectfully direct to the attention of hon. members these latter words of this authority on parliamentary precedure:

—and those which have regard to the behaviour of members listening to the debate.

I have examined the official report of the debates and I find that the hon. member for Témiscouata, referring to the hon. member for Compton's support of the said bill, used these words: "To enable his brother to sell more jam he is ready to swallow any bill presented by this government," referring to the fact that the hon. member's brother sells jam to the Canadian National Railways, thus imputing motives different from those acknowledged. This is a reflection on the independence of a member of parliament. In this regard I would cite the same parliamentary authority, May, at page 325:

The use of temperate and decorous language is never more desirable than when a member is canvassing the opinions and conduct of his opponents in debate. The imputation of bad motives, or motives different from those acknowledged; misrepresenting the language of another, or accusing him, in his turn, of misrepresentation; charging him with falsehood or deceit; or contemptuous or insulting language of any kind;—all these are unparliamentary, and call for prompt interference.

Speaking of the High Commissioner for Canada in England, the member for Témiscouata says: "Mr. Ferguson is acting in bad faith with the English people." As to that, I would quote from Bourinot, page 358:

All references to judges and courts of justice and to personages of high official station, of the nature of personal attacks and censure have always been considered unparliamentary and the speakers of the British and Canadian houses have always treated them as breaches of order. They have always insisted that, "Such expressions should be withdrawn."

The High Commissioner for Canada is in a high official position. He is appointed by authority of a special act of parliament, chapter 92, revised statutes of Canada. There are many precedents of such statements being held to be unparliamentary.

The hon. member for Témiscouata, applied to a member of the house, a word which is certainly not parliamentary. The dictionary gives the meaning of the word to be "a low term of abuse" and worse. The definition of this expression is so disgusting that I will not repeat it.

With the approval of the house I will instruct the editor of debates not to include the unparliamentary expressions used in the official report of to-day's debates.

On motion of Mr. Bennett the house adjourned at 10.55 p.m.

Wednesday, May 2, 1934

The house met at three o'clock.

PRIVILEGE—MR. POULIOT

Mr. JEAN-FRANÇOIS POULIOT (Témiscouata): I rise to a question of privilege. In my absence, last evening, Mr. Speaker ordered that some of my statements be struck off from Hansard. I want simply to say that soon after a certain word was used, I informed Mr. Speaker that I thought it should be removed from the records. I said so because it has several altogether different meanings and there shall be no possible misinterpretation.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

EDMOND DESMARAIS

Mr. LAFLECHE:

1. Is Edmond Desmarais, of Richmond, in the employ of the dominion government?
2. If so, since when and what salary does he receive?
3. What position does he occupy?

Mr. CAHAN: I have inquired of each and every department of government at Ottawa and in each case I have received the reply that no person by the name of Edmond Desmarais is in the employ of that department. If the hon. gentleman could give me clearer indications of the department in which the person in question is presumed to be employed, I will make further inquiry.

COLLECTOR OF CUSTOMS AND EXCISE—QUEBEC

Mr. ROBERGE:

1. Does the government intend, at an early date, to make a permanent appointment to the vacant position of collector of customs and excise for the port of Quebec?
2. What are the names of the applicants?
3. Have examinations been held for the said position?
4. If so: (a) on what date; (b) where; (c) who acted as examiner; (d) who were the candidates at such examinations?

Mr. BENNETT: This question, I think, is one that should not be asked. It is covered by statutes of the country dealing with the civil service commission and appointments made thereby.

Question dropped.

QUESTION PASSED AS ORDER FOR RETURN

SEED GRAIN ADVANCES

Mr. GOULET:

1. What was the total amount expended by the dominion government for seed grain advances in western Canada in the years 1918, 1919, and 1920?
2. How much of the said amount remains unpaid?
3. Is it possible for the government to accept less than the full amount of principal and interest due on the said seed grain advances?
4. Will the government insist upon the payment of the said seed grain advances?

MARKETING ACT

ORGANIZATION TO IMPROVE METHODS AND PRACTICES IN MARKETING NATURAL PRODUCTS

The house resumed from Tuesday, May 1, consideration of the motion of Mr. Weir (Melfort) for the second reading of Bill No. 51, to improve the methods and practices of marketing of natural products in Canada and in export trade, and to make further provisions in connection therewith.

Hon. ROBERT WEIR (Minister of Agriculture): When I previously spoke, in opening this debate, I expressed the hope that this bill would not be thrown into the realm of controversial partisan politics. I asked most sincerely for constructive suggestions with reference to the bill, suggestions that would improve it and make it more possible to effect the aim as set out in the title of the bill.

I should like to take this opportunity tc express most sincerely my appreciation of the conscientious and constructive suggestions that have been made by members on both sides of the house, which suggestions, in many instances, I believe will at least be of benefit to the measure. I left no doubt that there were great difficulties confronting the bill, and that the first year's experience with it would perhaps do more to perfect it than any further suggestions that might be made. I felt hon. members on both sides would agree that the fact that obstacles of various kinds stood in the way was not a sufficient reason why an honest attempt should not be made to solve some of these difficulties and overcome these obstacles, in order that the primary producer might reap a greater return for his efforts.

I think it is generally agreed, no matter on what points we may have differed in this debate, that there is a very great wastage in the present system of marketing primary products and that some effort should be made to avoid that wastage. I would say then, at the outset, especially because of misinterpretations that have occurred in connection with the bill, leading to the belief that established trade will be wiped out or interfered with, that this is the very opposite of the whole spirit that has led to the introduction of this bill. That means destruction, and destruction means further wastage; whereas the thing we are endeavouring to overcome is the wastage which we agree exists. Only those who have given a good deal of thought to the problems that I have mentioned and to a solution of them are really fitted to appreciate the great difficulties.

First let us consider this—and I shall not attempt to answer in each case the points made with which I disagree; I think it will save the time of the house if I do not traverse the ground I have already covered, but rather give my interpretation of the bill and at the same time, without dealing specifically with each objection taken, refer in a general way to the various types of objection taken by different members.

There are those who have stated that if our bill followed the pattern of the British

marketing act they would support it. I do not think any hon. member who understands the British marketing act and who has an appreciation of the difficulties with which we are confronted and that we are endeavouring to solve would say that that act is adaptable to any great extent to meet our problems. In the first place the territory involved there is very small in comparison with ours; the distance limitations are quite different and their agriculture itself is not nearly so diverse as ours, so that their problems are entirely different. Further, the problem to be solved there is to assist the primary industry of a country that is chiefly an importing one, whereas our primary industry is concerned greatly with the problem of exports and of properly regulating the flow of products abroad as well as to our domestic markets.

Further, they have one parliament, not ten as we have. They are not confronted, as we are, with the question of provincial rights and other problems that have arisen by reason of the British North America Act. One of the chief principles in the British marketing act is price fixing. In this country there is a great body of opinion that is against price fixing including even some of those hon. members who spoke freely in favour of the British act. There is also in the British legislation provision for restricted production and I maintain that restricted production is not referred to in any particular in our bill. Therefore I say that for those reasons the British marketing act which is applied to meet different conditions and different problems arising out of those conditions does not adapt itself to any great extent to solve the problems confronting us. We have considered our problems and have endeavoured after study to produce a bill that, when passed, will enable us to set up machinery that we think will meet the peculiar needs and overcome the special difficulties with which we have to contend in Canada in the marketing of our primary products. In so far as certain principles that we have found it necessary to adopt are the same as those appearing in the British act, we have taken advantage of them because to a certain extent they have been tried out and been found successful.

The first difficulty that confronted us in attacking our problems was the limited jurisdiction of the federal government as a result of provincial rights as laid down in the British North America Act. I think hon. members who will earnestly study the bill with a desire to see the best in it will agree with me that in it there is nothing that will conflict in any way with the British North America Act. The whole bill is based on a spirit of cooperation

[Mr. R. Weir.]

to fill that need which I believe the great majority of the Canadian people feel, irrespective of the province in which they live, namely, to create a more economical system for marketing the products of our primary producers. In that connection, because of the flexibility that has been forced upon us in any bill we introduce, I believe we are sound in the first principle I have enunciated, I hope, more clearly than I evidently did when I last spoke,—namely, to put the power for the regulation of the marketing of the products of the primary producers into the hands of the primary producers themselves in so far as they give evidence that they are anxious to have that power to handle the regulation of the marketing of their own products as shown by the extent to which they are prepared to organize to do this. In this connection they may use their own cooperative organizations or established channels of trade. I believe there is in this country a great body of opinion in favour of cooperative marketing, while there are others who are in favour of marketing by what has become known as private enterprise. In this regard I am reminded of a statement made by a noted Anglican divine of Toronto whose church I used to attend regularly when I was at the university, He was discussing the question of church bazaars. My colleague, the Minister of Finance (Mr. Rhodes) says that I must be careful on this question. This Anglican divine said in reference to church bazaars that he did not believe the men of his congregation were any more anxious to be taken in in the name of the Lord than in any other way. I think many farmers and producers in this country are not particularly anxious who markets their products as long as they receive the greatest returns from them and the work is done efficiently. In connection with marketing I believe healthy competition is essential but there must be no monopoly.

The basis of this bill is that a representative body of producers will submit a scheme that they have carefully thought out and in which they are interested in a way that no one else is, for the marketing of their primary products. Some hon. members have suggested that if we had stated in the bill that there should be a poll and that if producers representing seventy-five per cent of the production voted in favour of a particular scheme and authority would be given for the other twenty-five per cent to be forced in, they would support the bill. Due to the different problems that we have in the marketing of primary products in Canada it is not possible to insert such a provision. For

example, let us take one of the simplest of the primary products—apples. The problem of marketing apples in Nova Scotia is different from that in Ontario and also from that in British Columbia. In Nova Scotia for the crop year 1933-34 eighty-nine per cent of the apples were exported, so that their major problem is one of export. In Ontario only thirty-seven per cent of their apples were exported, so that their problem is chiefly a domestic one. In British Columbia some forty-seven per cent of their apples were exported; their problem therefore is pretty well divided between domestic and export marketing. That is one instance, but I could give a large number, showing why we do not consider that we should fix any limitation as to how this scheme shall be brought into effect, lest by such definition we should make it inadaptable to different conditions in regard to different products in different parts of the country. Further, it has been left open in order that bodies of producers may meet their provincial government, submit their scheme to them, and if the provincial government thinks well of the scheme and allows them to form a local board with the powers given in this bill, or perhaps with different powers, we can if necessary use that board as our agent under the Dominion Marketing Act. The basis of the bill is to put powers into the hands of the producers themselves, in so far as they indicate through their own organization that they wish it, and thus there will be no conflict with provincial rights. For these reasons I believe it is sound policy to leave the provisions as flexible as they are. Hon. members have suggested the possibility that the local board, to take the extreme case stated by one hon. member, might consist of a number of Chinese laundrymen. I do not know whether there is anything in our legislation setting up the railway commission to prevent Chinese laundrymen, if they were British subjects, from being appointed to it, and it is just as rational to expect that they would be appointed to it as to this board. The clause here is very clear; it has been referred to by so many members of the opposition that I think it well to read it. I quote section 5, subsection 5:

(5) Every scheme as approved shall state,

(g) the number of persons who shall comprise the local board and the basis of their selection.

That is, the group of producers in their scheme must state the nature of the board that is to handle the scheme that they propose. I know that in some branches of the industry they feel that the board should consist entirely of producers; others are very decided that there should be producer representation, and representation from the trade that is vitally interested in the marketing of that product, and also that consumers should be represented. But the primary object of this bill is to give power to the producers even to the extent of recommending and setting out the manner in which the board is to be appointed.

The second principle of the bill is that power shall be taken to investigate the spread, using the term in the general and popular definition. What we have in mind is this. Here is a product and here is the consumer, and the cost of getting the product from the producer to the consumer is the spread. Therefore power is taken to ensure if necessary that there shall be no unfair profit taken, no unfair manipulation in this process that takes place, to increase unduly the cost between the time the product leaves the producer and the time it reaches the consumer. To meet that situation, if a small group of producers wish to organize solely for the production of the best quality product in uniform supply, they will be assured of that protection and of efficient marketing of their product. I do not think any hon. member can object to either of those two principles, namely, first, giving into the hands of the producer the power to handle his own product, and second, assuring for the protection of both producer and consumer that there shall not be any artificial manipulation by people who made no contribution either towards the production or towards the rational, honest marketing of the product.

Then in the third place we have taken power under this act to limit, if necessary, imports and exports. I do not think that any one can take objection to that. We have had instances which I would like to cite to the house, but because they are connected with individuals closely associated with members of the house I shall not do so. I shall be glad, however, to show to any hon. member a description, for instance, of one shipment of cattle to the old country within the last few months that had a very damaging effect on the reputation of our cattle. It is almost unbelievable that such a shipment should have been made. I feel that it would have been in the interest of the producer himself had he been prohibited from exporting them, and it certainly would have been a benefit to all other live stock producers of Canada who wished to avail themselves of the market for our cattle in the United Kingdom to take the best advantage of that market by sending their best quality products.

Certain amendments have been prepared that will be submitted in connection with this bill—

Some hon. MEMBERS: Oh, oh.

Mr. WEIR (Melfort): —not to change the principle of the bill in any way but to clarify certain points such as that referred to by the hon. member for Yale (Mr. Stirling) and I believe the hon. member for New Westminster (Mr. Reid). It was my understanding that these matters were taken care of in the bill as it stands—I think I would have no difficulty in proving to anyone that they are—but it is felt advisable that this clarification should be made. The amendments are ready and will be brought down when the bill is before the committee.

I have dealt in a general way with the criticisms that have been levelled against the bill; first the objection that the producers lose control, that control is taken out of their hands and put into the hands of whoever may be appointed to the boards; second, the objection to the type of board that may be set up. I think one hon. member mentioned that it might consist of about fifteen old decrepit politicians. I could not help but be struck with the thought, when he was speaking, that he had in his mind a very definite picture of the man he thought capable of being chairman of this board if it were in his power to set it up. But I feel that his opportunity in that direction will be very slight. I believe he is better qualified, if I may use the illustration, to use a little pick to scratch the mortar out of a standing building, hoping it will fall down and be destroyed, rather than to take any constructive step in the erection of a building. As I have said before, the purpose of this bill is construction, not destruction, and I am sure hon. members will agree that people of that type should not look for any position on the board.

I have dealt so far with criticisms repeated by various hon. members opposite. I should like for the few minutes remaining at my disposal to deal with some specific criticisms raised by the right hon. leader of the opposition (Mr. Mackenzie King). In fifteen different places in his speech he referred to the principle of this bill as being restriction of production. In one place he is very emphatic that that is the chief principle of the bill. I would not for an instant suggest that the right hon. gentleman did not in his own mind understand that to be a fundamental principle. but I maintain that nowhere in this bill is restriction of production mentioned. It is simply for the purpose of regulating the products going on the market. The right hon. gentleman stated that producers had to be licensed. He spoke in favour of orderly marketing, and in his amendment put himself on record as favouring it. What orderly marketing could we have of any product in this country if we did not know the quantity of that product that was to be placed on the market in any given time? The only way in which that information can be obtained is for the producers to submit what they expect to produce, the acreage seeded, the number of head of live stock and so on. That work is done now by various branches of the agricultural industry that have approached us already with schemes they wish set up, under which they undertake to license producers of their own product for the very reason that it is impossible for this government to have any orderly marketing unless they have some knowledge of the volume of the product that is to come forward. That is their own suggestion.

In this connection I should like to say in passing that every branch of the industry that has approached us has asked only that it be allowed to stand on its own feet. But these are the branches already organized. They do not wish any money from the consolidated revenue fund, but there are other branches of the industry that are not so thoroughly organized, and we feel that it is necessary, in order to tide them over until they can organize for orderly marketing, to insert some provision in this bill so that such branches may be looked after in the meantime. That is the only reason for that provision in the bill to which a number of hon. members have objected. Many branches of the industry are so upset that they are not in a position to organize at once, perhaps because of the number of people involved or the area covered by that particular branch, and those branches are in the greatest need of assistance. We also feel that conditions may arise in the future, as they have arisen in the past, which will make it highly desirable for us to extend sufficient assistance, under the powers we have taken by this bill, in the marketing of that particular product in order to make such marketing profitable where otherwise it would be conducted at a loss. That is one of the chief reasons why some of the power taken under this bill may seem excessive though I do not consider that power excessive at all. We are simply applying what are recognized as sound principles in successful enterprise in this country.

The least that we as a government and as members of parliament, irrespective of party, can do is to use the resources of the country

where necessary to assist the primary producers. In that connection I would say that if any persons attempted, by means of the machinery set up under this bill, to revolutionize the entire marketing system of the dominion in a month, in six months or in a year, undoubtedly they would do a great deal more harm than good, but we do feel that it is necessary to have this power, which will be used as any sane man would use it and as we, in our heart of hearts, all agree that it should be used, irrespective of the opposition that has been raised.

A further argument used by the right hon. leader of the opposition was that this bill took away the rights of parliament, that there was too much compulsion in it, and in his amendment he stated that he was unalterably opposed to compulsory legislation. I think perhaps the hon. member for Melville (Mr. Motherwell) has answered that argument in a better way than I could answer it, and in a way which must impress the right hon. gentleman. The hon. member for Melville cited the compulsion that was necessary to enforce the policy in regard to bovine tuberculosis and the testing of cattle. I think there was almost civil war in Nova Scotia when that policy was first enforced, but now there are no further complaints wherever it is applied. I believe it is one of the most constructive policies we have ever had in connection with our live stock industry. I believe the hon. member for Melville stated further that they had proceeded even without order in council to prevent cattle from being shipped out of this country.

Hon. members on this side of the house have spoken at length and have cited the legislation of a compulsory nature introduced by the right hon. gentleman when he was in power. One cannot but feel that this objection or criticism was raised not from the standpoint of merit but rather for effect. The right hon. gentleman referred to the Magna Charta and said that this bill affected the rights received by the people under the provisions of the Magna Charta. I am sure I was not the only hon. member in the house who wondered, when the right hon. gentleman made that statement, if he could have been transported, with the attitude of mind that he has exhibited towards this bill, back to Runnymede on that fine May day in 1215, whether he would have been on the side of the barons or on the side of the king. The barons were spreading authority; they were delegating it to a place where it never had been delegated before. Further in this connection I might ask the right hon. gentleman if there ever has been a session of parliament in Canada since confederation during which parliament did not delegate authority to bodies outside parliament.

In conclusion, Mr. Speaker, I submit that while this bill is a long way from being perfect—

Some hon. MEMBERS: Hear, hear.

Mr. WEIR (Melfort): I greatly appreciate the fact that only two hon. gentlemen opposite applauded that remark; it is the highest compliment that could be paid to the intelligence exhibited across the way. This bill can be perfected only through experience and the overcoming of obstacles, which will indicate what changes should be made in the bill.

I close my remarks, Mr. Speaker, with a further appeal for constructive suggestion when the bill is in committee. I had thought, following the suggestion of hon. members of different parties, that it might be well to refer this bill to the agriculture committee or to a subcommittee of that committee, but as time is the chief essence, as the right hon. leader of the opposition has put himself on record as being unalterably opposed to it, and as it has been stated that the official opposition will fight this bill to the last ditch, I feel—and I regret it—that there would be little gain in wasting the time of any committee if the bill is to be fought out in the house clause by clause and phrase by phrase.

The house divided on the motion (Mr. Weir, Melfort) which was agreed to on the following division:

YEAS

Messrs:

Anderson (Toronto-High Park)	Cowan (Long Lake)
Anderson (Halton)	Davies
Arsenault	Dickie
Arthurs	Duguay
Barber	Duranleau
Baribeau	Edwards
Barrette	Embury
Beaubier	Ernst
Belec	Fortin
Bell (Hamilton West)	Fraser (Cariboo)
Bell (St. Antoine)	Gagnon
Bell (St. John-Albert)	Garland (Bow River)
Bennett	Garland (Carleton)
Bourassa	Geary
Bourgeois	Gobeil
Bowman	Guthrie
Burns	Hackett
Bury	Hanson (York-Sunbury)
Cahan	Harris
Cantley	Hay
Carmichael	Heaps
Chaplin	Irvine
Charters	Kennedy (Peace River)
Coote	Laflèche
Cotnam	

Larue
Laurin
Lawson
Loucks
Lucas
Luchkovich
MacDonald (Cape Breton South)
Macdonald (Kings)
Macdougall
MacInnis
MacLaren
MacMillan (Saskatoon)
MacNicol
Macphail, Miss
McGillis
McLure
Maloney
Matthews
Mitchell
Moore (Chateauguay-Huntingdon)
Morand
Motherwell
Mullins
Myers
Neill
Nicholson
Peck
Perley (Qu'Appelle)
Perley, Sir George
Pickel
Plunkett
Porteous
Price
Quinn
Reid
Robinson
Rogers
Ross
Ryerson
Sauvé
Shaver
Simpson (Simcoe North)
Simpson (Algoma West)
Smith (Victoria-Carleton)
Smith (Cumberland)
Smoke
Speakman
Spence
Spencer
Spotton
Sproule
Stanley
Stewart (Leeds)
Stewart (Lethbridge)
Stinson
Stirling
Stitt (Nelson)
Stitt (Selkirk)
Sutherland
Swanston
Tétreault
Thompson (Simcoe East)
Thompson (Lanark)
Tummon
Turnbull
Weir (Melfort)
White (London)
White (Mount Royal)
Willis
Woodsworth
Wright—120.

NAYS

Messrs:

Beaubien
Blair
Bothwell
Boucher
Boulanger
Bradette
Brown
Butcher
Cardin
Casgrain
Denis
Deslauriers
Desrochers
Dubois
Duff
Dumaine
Elliott
Factor
Fafard
Fiset, Sir Eugène
Fontaine
Fournier
Fraser (Northumberland, O.)
Gershaw
Girouard
Golding
Goulet
Gray
Hall
Hanson (Skeena)
Howden
Hurtubise
Jacobs
Jean
King, Mackenzie
Lapointe
Mackenzie (Vancouver Centre)
MacMillan (Mackenzie)
McPhee
Marcil
Mercier (Laurier-Outremont)
Mercier (St. Henri)
Moore (Ontario)
Munn
Parent
Perras
Raymond
Rennie
Rhéaume
Rinfret
Roberge
St-Père
Séguin
Taylor
Thauvette
Totzke
Urquhart
Veniot
Weir (Macdonald)
Young—60.

PAIRS

(The list of pairs is furnished by the chief whips.)

Messrs:

Baker	Bertrand
Beynon	Euler
Black (Halifax)	Dubuc
Bowen	McKenzie (Assiniboia)
Boyes	Hepburn
Casselman	Howard
Cowan (Port Arthur)	Ilsley
Dorion	Verville
Dupré	Ferland
Esling	Hanbury
Ganong	Michaud
Gott	Rutherford
Johnstone	Donnelly
Jones	MacLean
Kennedy (Winnipeg)	McIntosh
Lennox	Pouliot
McDade	Dupuis
McGibbon	Power
Manion	Chevrier
Murphy	Stewart (Edmonton)
Pettit	Bouchard
Rhodes	Ralston
Rowe	Lacroix
Senn	Sanderson
Short	Heenan
Spankie	Ahearn
Stevens	Malcolm
Sullivan	Brasset
Wilson	Vallance.

Mr. STEVENS: I was paired with the hon. member for North Bruce (Mr. Malcolm). Had I voted I would have voted for the motion.

Mr. SHORT: I was paired with the hon. member for Kenora-Rainy River (Mr. Heenan). Had I voted I would have voted for the motion.

Mr. KENNEDY (Winnipeg South Centre): I was paired with the hon. member for North Battleford (Mr. McIntosh). Had I voted I would have voted for the motion.

Mr. BAKER: I was paired with the hon. member for Prescott (Mr. Bertrand). Had I voted I would have voted for the motion.

Mr. McDADE: I was paired with the hon. member for Laprairie-Napierville (Mr. Dupuis). Had I voted I would have voted for the motion.

Mr. JONES: I was paired with the hon. member for Prince (Mr. MacLean). Had I voted I would have voted for the motion.

Mr. McGIBBON: I was paired with the hon. member for Quebec South (Mr. Power). Had I voted I would have voted for the motion.

Mr. BOYES: I was paired with the hon. member for West Elgin (Mr. Hepburn). Had I voted I would have voted for the motion.

Mr. VALLANCE: I was paired with the hon. member for Wentworth (Mr. Wilson). Had I voted I would have voted against the motion.

Mr. SENN: I was paired with the hon. member for South Perth (Mr. Sanderson). Had I voted I would have voted for the motion.

Mr. BOWEN: I was paired with the hon. member for Assiniboia (Mr. McKenzie). Had I voted I would have voted for the motion.

Mr. BEYNON: I was paired with the hon. member for North Waterloo (Mr. Euler). Had I voted I would have voted for the motion.

Mr. ROWE: I was paired with the hon. member for Beauce (Mr. Lacroix). Had I voted I would have voted for the motion.

Mr. JOHNSTONE: I was paired with the hon. member for Willow Bunch (Mr. Donnelly). Had I voted I would have voted for the motion.

Mr. HOWARD: I was paired with the hon. member for Stormont (Mr. Shaver): Had I voted I would have voted against the motion.

Mr. BOUCHARD: I was paired with the hon. member for Welland (Mr. Pettit). Had I voted I would have voted against the motion.

Mr. BRASSET: I was paired with the hon. member for St. Ann (Mr. Sullivan). Had I voted I would have voted against the motion.

Mr. POULIOT: I was paired with the hon. member for North York (Mr. Lennox). Had I voted, I would have voted against the motion.

Mr. FERLAND (Translation): I was paired with the hon. Solicitor General (Mr. Dupré). Had I voted I would have voted against the motion.

Mr. CHEVRIER (Translation): I was paired with the hon. Minister of Railways and Canals (Mr. Manion). Had I voted I would have voted against the motion.

Mr. F. T. SHAVER (Stormont): Mr. Speaker, I rise to a question of privilege. The hon. member for Sherbrooke (Mr. Howard) announced himself as being paired with the hon. member for Stormont, which is incorrect. I voted.

Mr. HOWARD: I should have said that I was paired with the hon. member for Grenville-Dundas (Mr. Casselman).

Mr. WEIR (Melfort) moved that the house go into committee on the bill.

Motion agreed to and the house went into committee, Mr. Gagnon in the chair.

Mr. MOTHERWELL: Mr. Chairman, before we proceed with the bill may I say that I believe this would be the opportune time for me to express my great disappointment in the fact that the government seems to have denied parliament one-half of the facilities usually employed to improve, add to or take away from the provisions of a bill. As hon. members know, in addition to discussion in committee of the whole there are in all major agricultural bills standing committees on agriculture and in other cases special committees. If there ever was a bill which came before this house—I cannot hear myself talking.

Some hon. MEMBERS: Order.

Mr. MOTHERWELL: If ever there was an agricultural bill which was entitled to all parliamentary facilities for careful examination, certainly it must be this bill. Yet at the very outset it would appear that the government has so little confidence in its own bill that it has refused parliament the use of one-half of the facilities provided to afford discussion.

Mr. BENNETT: Still the hon. member voted for it.

Mr. MOTHERWELL: Did I say one-half? If I did, I was away out, because I should have said that two-thirds of the facilities have been denied us. The committee on agriculture is supposed to know something about agriculture; yet the government refuses to refer the bill to that committee. Secondly I take the ground—and I believe it is well taken—that at least two-thirds of the facilities afforded by parliament, facilities which date back possibly as far as confederation, have been deliberately denied us. I was greatly disappointed in the speech of my good friend the Minister of Agriculture (Mr. Weir), because it would appear as though he intended to put this legislation through in some hole-in-the-corner manner when witnesses cannot be called and heard. Everyone recognizes that day by day the House of Commons is becoming more and more the parliamentary and political cockpit of Canada. Is that not a fact? And yet my good friend the minister is inviting this cockpit amicably to amend this bill, detract from it or add to it. How can we hope for a miracle like that to happen? In my pristine simplicity I thought the Minister of Agri-

culture was inviting us to improve this bill and thanking all of us who had been fortunate enough to contribute something constructive to the debate, and then we were told that there would be only two major amendments made to this bill, giving effect to the suggestions made by my hon. friend from Yale (Mr. Stirling) and by my hon. friend from New Westminster (Mr. Reid). I took that to be the meaning of the minister's remarks.

The Minister of Agriculture has now given us his refusal to refer this bill to the agriculture committee and I look now to the Prime Minister to show cause why this bill is being treated so outrageously different from all the other agricultural bills that have been presented to this house. You see, Mr. Chairman, I am getting fussed up myself. This is not the way to promote good fellowship or unanimity with regard to the bill. The bill is thrown into the cockpit, and the cocks are starting to fight. I find my own feathers getting up at the indignity that is being heaped on agriculture by denying the committee on agriculture which is supposed to know the most about agriculture, the opportunity of helping this bill along. To throw the bill into this cockpit makes the minister's invitation nothing but a hollow mockery. He hopes that there will be constructive suggestions and no controversy. How are we going to escape controversy where we have been having it all along? A committee of the whole is identical with the whole house. It comprises the whole house unless some special or select committee is sitting at the same time. I cannot understand how the hon. gentlemen comprising the government can take this action on a bill which they claim is most important, and deny to this bill those facilities which all the smaller agricultural bills which have been brought before parliament this session have been afforded. There have been four or five submitted, and all of them went to the committee on agriculture. I have the privilege of sitting on that committee, and there was not a voice in that committee raised as loudly as mine is now. I hope that mine is not raised harshly even yet, and I hope that it will not be before I am through.

I am confident that the work of the house would be facilitated by this bill being sent to the committee on agriculture. It is true that the bill could be debated in the house again after coming from the committee. The committee on agriculture has not the last word. The committee of the whole house has the last word on all bills that come before parliament. Yet we are denying our committee on agriculture the right of looking into this bill.

Why, the Minister of Trade and Commerce (Mr. Stevens) has a little wee bill, not as long as my finger, dealing with just one little controversial question and one non-controversial question, and while it is not in the Department of Agriculture at all—for as the house knows the department is a sort of dual-headed proposition, and the other head is the Minister of Trade and Commerce—he submitted his little wee bill to the committee on agriculture without any urging at all. While I opposed the bill I took the ground that we should let it go through on the second reading inasmuch as the minister was going to afford the best facilities for amending it before the committee on agriculture where we could have witnesses. I supported the second reading of that bill just as I supported the second reading of this bill, and yet this great bill which has been ballyhooed all across the country has been denied the facilities that were afforded to that other little wee bill and to all the other agricultural bills that were brought down this session.

I cannot reconcile the lip professions of the ministry with their actual practice in what they are doing now, and I should be delighted if the Prime Minister would give any logical reason why this bill is being denied the opportunity of being changed for the better in the committee on agriculture that would not apply to any of the other four bills that have been sent to the committee this session.

Mr. WOODSWORTH: I should like to back up what has just been said with regard to this bill going to the committee on agriculture or to some special committee. We in this corner asked for that when the matter was under discussion before the second reading. We felt it would be highly desirable that expert witnesses might be called who could give their assistance in elaborating and perhaps modifying some of the clauses of this bill. The Minister of Agriculture a few moments ago told us that the reason this bill did not go to the committee on agriculture was that it would be fought bitterly by the agriculture committee.

Some hon. MEMBERS: Oh no.

An hon. MEMBER: By the leader of the opposition.

Mr. ERNST: Surely it is not an agricultural bill.

Mr. WOODSWORTH: Well then, the reason it did not go to the committee on agriculture, according to the minister, was that it

would be fought by the leader of the opposition. There are members in this corner supporting this bill and prepared to support it, and I do not think it is fair to them to disregard entirely their earnest request that this bill should go to a committee where it can be thoroughly considered, with the assistance of experts. We cannot do it here.

Mr. GUTHRIE: Mr. Chairman, I rise to a point of order.

The CHAIRMAN (Mr. MacDonald, Cape Breton): I would point out to hon. gentlemen who have urged that this bill should not have been sent to committee of the whole house that the proper time to have made those objections was on the motion to submit the bill to committee of the whole.

Mr. GUTHRIE: And the discussion now is simply reflecting on the action of the house.

Mr. MOTHERWELL: I have never pretended yet to know much about the rules; the less you know about them I think the better. But I have been reading up May for another purpose, and I find there that if you want to raise a question of this kind you raise it immediately on going into committee.

Mr. BENNETT: That is the point exactly. This house without a single dissenting voice accepted the motion unanimously, a few moments ago, to go into committee of the whole house on this bill. Nobody raised his voice against it—not a single soul.

Mr. VALLANCE: Cannot the motion be rescinded?

Mr. BENNETT: No, it is not going to be rescinded because the house unanimously accepted the motion to go into committee of the whole, and that is where we are now.

Mr. MACKENZIE (Vancouver): I submit that the Prime Minister is entirely incorrect. The motion was to submit the bill forthwith to committee of the whole house. Now either on the title of the bill or on the preamble we can have a general discussion in committee and move to rise and report progress and ask leave to sit again. Once the committee rises and reports progress, the Prime Minister or the minister can immediately move that this bill be referred to the committee on agriculture. So I submit, Mr. Chairman, that the procedure of my hon. friends on this side is absolutely correct.

Mr. LAPOINTE: Even if my right hon. friend was correct in his interpretation of the rule, when there is a strong feeling and a demand from all sections of the house, even from members who supported the second reading, that the bill should be sent to the committee on agriculture, surely my right hon. friend, even if he had to give his consent, should not refuse sending this bill to that committee instead of having it discussed here by committee of the whole house.

Mr. BENNETT: The only difficulty is that a majority of this house has decided that the bill should be submitted to committee of the whole house. That has been decided; it is not competent under our rules to question that decision, and that is what the hon. member for Winnipeg North Centre is doing.

What the hon. member for Vancouver Centre says is an entirely different thing. It is entirely competent, of course, to have a general discussion before a clause has been passed, but the discussion must be relevant to the subject matter of the bill, and not to the motion that has been adopted by the house to submit the bill to committee of the whole house. The discussion must not be with respect to the procedure which has already been adopted by unanimous action of the house. Inasmuch as the Minister of Agriculture made his statement before the vote was taken and the hon. member for Melville voted for the bill, I take it when he says that to submit the bill to committee of the whole house indicates a lack of confidence in the measure, that he was really voting want of confidence in himself—a wholly unusual practice in this parliament.

Mr. LAPOINTE: This is his reward.

Mr. BENNETT: As a matter of fact, on this side of the house we do not hold out rewards to those who support us. That is the difference between us and hon. gentlemen opposite. This is not one of those classical cases in which rewards are held out to those who desert their principles, of which we have had striking examples in times past. But we are not mercenaries on this side of the house. We are not mercenaries.

Mr. LAPOINTE: That is the Winnipeg speech again.

Mr. BENNETT: No, we are not.

Mr. LAPOINTE: Neither mercenaries nor judases.

Mr. BENNETT: I doubt not, from observations I have heard, that something of that sort was the opinion entertained of the hon. member for Melville by some of his associates, but I think it is wholly unwarranted. He did it on principle. The hon. gentleman from Vancouver Centre has, I

think, correctly stated the position. But, not to enter into a discussion as to the soundness of the act which the house has just unanimously taken, if there is a desire to rescind that action there are, in our practice, appropriate measures provided to meet the situation. For the moment however the government is of the opinion that in view of the action taken by the official opposition, this is not a measure to be referred to any committee other than the committee of the whole house.

Mr. WOODSWORTH: Mr. Chairman—

Mr. MACKENZIE KING: The Prime Minister has referred to the action of the official opposition—

Mr. WOODSWORTH: I was on my feet when someone interrupted with a point of order.

Mr. ERNST: Go ahead; you are leading the opposition anyway.

Mr. CASGRAIN: He is leader of your party.

An hon. MEMBER: He is leading the Socialist party.

Mr. WOODSWORTH: I hope the Prime Minister will not insist on a technicality. As a matter of fact, those of us in this corner find it extremely difficult to catch motions that are being put at the other end. It was not until the hon. member for Melville was half way through his speech that order was sufficiently restored to enable us to learn what it was all about. It may be true that, technically, a motion was passed with regard to referring the matter to a committee, but the hon. member for Melville took the opportunity of raising the larger question and I thought it well to state our position with regard to the whole question. If I am not altogether out of order, I should hope that the government would reconsider its decision and allow this matter to go either to the committee on agriculture or to a special committee.

Mr. CASGRAIN: Make a motion.

Mr. WOODSWORTH: I do not know that this is the place for me to move such a motion, if the Prime Minister insists on the technicality.

Mr. NEILL: Move that the committee rise.

Mr. BENNETT: The Prime Minister is not insisting on a technicality; he is merely pointing out that the rules that have been settled by the house for the conduct of debate must be observed.

[Mr. Bennett.]

Mr. MACKENZIE KING: Replying to what my right hon. friend has said, namely, that the action of the official opposition was responsible for the government's decision not to allow this measure to go before a select committee, may I remind the Prime Minister that when the bill was introduced the opposition sought very diligently to ascertain from the government whether they would not permit the bill to go to the select standing committee on agriculture, or some special committee, and it was only because the Prime Minister so strongly took the position that it would not go either to the select committee on agriculture or to any other committee that we on this side felt bound to take the firm stand which in the circumstances, we were of the opinion we ought to take to the principles underlying some of the provisions of the bill.

Some hon. MEMBERS: Oh, oh.

Mr. MACKENZIE KING: If hon. gentlemen will look at what I said at the time the Minister of Finance introduced the bill with respect to the central bank, they will observe that I then stated that inasmuch as the minister had said that the question of the ownership of shares and control was an open question to be fully discussed in committee, we would not oppose the second reading of the measure. Could we have received from the government a similar assurance with respect to certain of the provisions of this measure, there would not have been the opposition to the second reading there necessarily was, because of certain principles which are embodied in the measure as it stands. It was because the government would give no such assurance that we were obliged to construe as final the principles of the bill as set forth in the clauses which I quoted when speaking on the second reading.

Apart from this, may I direct the attention of the committee to what has taken place thus far. A number of speeches have been made on the second reading. At a cursory glance, I find that of those who have spoken there have been nineteen Conservatives. There were quite a number of speakers from the Labour party, the C.C.F. and the Socialist group in the far corner, and they should be added to the Conservative number in accounting for the time consumed on the second reading also, because of the common attitude assumed towards the bill by the new Tory-Socialist alliance. From this side of the house there were only seventeen in all who spoke on the second reading of the measure. May I add this further word by way simply of refuting what the Minister of Agriculture has

said as to the opposition seeking in any way to protract the proceedings. There is a great difference between standing for your principles, asserting and maintaining your position, and endeavouring to protract proceedings indefinitely. I stand within hearing of members of my own party when I say that a week ago to-day, at a party caucus, I expressed the view that there was nothing to be gained at all by protracting discussion on this, or indeed on any measure at present before the house, and I counselled expedition in the matter of getting through the legislation of the session. I said that I believed, because of pending provincial elections, there was a deliberate plan on the government's part to keep the House of Commons in session a very considerable length of time, and I did not think we should lend ourselves to anything of that kind. As regards, therefore, the Prime Minister's statement that the action of the opposition is in any way responsible for his not permitting the measure to go to a committee, he is entirely in the wrong in making any such statement. The proper procedure would have been at the outset for the government to have expressed its intention to send this bill to a select committee; and, I repeat, had it not been that the government expressed a diametrically opposite intention, and given us to understand that the bill would be discussed only in committee of the whole house, and not be referred to a select committee, where the principle underlying its general provisions might be fully discussed, our attitude in regard to the second reading would, as a matter of course, have been different.

Mr. BENNETT: I am sure the country will be delighted now to have heard what was said in caucus of the Liberal party for the purpose of determining what public action should be taken, for otherwise we should not have known what the attitude of the right hon. gentleman and his party was or is. It is pleasing now to know, in a secondhand way, that a week ago they desired to save the country from any knowledge of the great struggle between John and the Barons and of the difficulties which Alfred experienced in cooking the cakes, and things of that kind. But there is one thing that is very apparent, and that is that when the amendment was moved by the right hon. gentleman for his party it was an amendment that tried to be on both sides of the question. It reminded one of that Pilgrim who in his progress met Mr. Facing-Both-Ways. That is exactly what was done here: the amendment approved the principle of the bill and then denounced it. But in accordance with the rules of parliament it was ruled out of order, and instead of facing both ways we have had to face one way with the result that there has been a majority of sixty against the opposition, led by the former Minister of Agriculture in the administration of the right hon. gentleman. This bill, we know now, has been talked to for one solid week by the opposition because the government indicated that it was to go to committee of the whole house. The right hon. gentleman tells us that it is because we said at the beginning that it was to go to committee of the whole house that he has taken a week to discuss it. That being so, it is clear that it should no longer be considered as being open to go to a select committee.

Mr. MACKENZIE KING: Most of the week was taken up by the right hon. gentleman's own friends.

Mr. BENNETT: Surely—

Mr. CASGRAIN: The list is there.

An hon. MEMBER: Nineteen against thirty-five.

Mr. BENNETT: If the right hon. gentleman will measure the columns I think he will find that his statement is quite incorrect, for my memory is that he himself spoke about two hours, which represents the length of time allowed by the rules of the house for four average speeches. So that if you measure the columns you will see that his statement is hardly correct. But this is what I was going to point out. The leader of the opposition says to-day that had it not been for the statement made on the introduction of the bill, or early in its progress, that the bill was to go to committee of the whole house, all this long week might have been saved. Inasmuch as the week has been lost, and the discussions have taken place, it is obvious that the bill should not go to a select committee but should remain where it was said it would go. That is the logic of the position. It means that. Therefore, a week having now been taken and full opportunity having been had to discuss the whole matter, the penalty of course is that we shall proceed rapidly with the bill now that the week has already been exhausted in a discussion of it and the sending of it to a select or standing committee is wholly unnecessary. If the right hon. gentleman's observations do not mean that, they mean nothing. Therefore I think we have disposed of the matter by the statement made by the right hon. gentleman on behalf of his party. The hon. member for Winnipeg North Centre (Mr. Woodsworth) said on behalf of his party that they would support the bill. They did not support it for any love of this government or this party; they did so because

they thought it was sound policy for the benefit of their constituents. If they have any observations to make, it has been pointed out that they have the fullest opportunity to offer amendments in committee of the whole house. I am wholly against the bill going to a select or standing committee because it is not the class of bill that should go.

Mr. HANBURY: Is the right hon. member afraid of outside evidence?

Mr. BENNETT: The kind of evidence mentioned by the hon. gentleman who has just spoken, outside or inside evidence, is the kind of evidence on which he is a standing authority.

Mr. HANBURY: That is your stock joke.

Mr BENNETT: We are neither building a hotel at Vancouver nor extending the construction of steamships on the Pacific slope. That is the inside side of it. The outside side of it is this: we are afraid neither of discussion nor of amendments nor of hopeful outlook on the part of hon. members opposite with respect to their opposition to this legislation. But there is one thing we do say: This is not the sort of bill that in England would be sent to a committee.

An hon. MEMBER: Why?

Mr. BENNETT: The answer is obvious; this bill involves a principle that the house has accepted after a great struggle, just as the Home Rule bill was accepted.

Mr. MACKENZIE (Vancouver): The Minister of Agriculture said that the situation n England was different from what it is here.

Mr. BENNETT: Quite different. There would not be such a long time lost on the second reading; the guillotine would have fallen on the second day. That being so, the question of principle having been voted upon, the official opposition having declared that they will fight this bill strenuously to the end, and the right hon. gentleman speaking for the major opposition in the house having said that last week's discussion took place solely because of the fact that the bill was to go to a committee of the whole house—

Mr. MACKENZIE KING: I did not say anything of the kind. Last week's discussion was in large part by hon. members opposite and last week was taken up, as the right hon. gentleman knows, to a certain extent in discussing other matters.

Mr. BENNETT: I should have said: He told caucus that.

Mr. LAPOINTE: Very clever.

[Mr. Bennett.]

Mr. BENNETT: Not clever; it is a fact. But I would say to the hon. member for Winnipeg North Centre that this is the kind of legislation that, the principle of it having been adopted by the house, the measure itself is really an effort to give effect to that principle. Any amendments or suggestions may be offered in committee of the whole. The minister himself has a large number of amendments to offer that, we believe, will expedite the passage of the bill in order that it may become available for use in this country as soon as possible.

The hon. member for Melville referred to four bills that went to the committee on agriculture. But they were all subjects of an entirely different character from this

Mr. MOTHERWELL: What?

Mr. BENNETT: Garnet wheat.

Mr. MOTHERWELL: It is not through yet and there were four other bills in addition to that.

Mr. BENNETT: It is a matter of an entirely different character, whether it is thought desirable to separate garnet from number two wheat and make it a different grade.

Mr. MOTHERWELL: That was not one of the four; that was a supplementary one, by another minister.

Mr. BENNETT: There was another one that was even less important except from an administrative standpoint and questions of administration have usually gone to the committee on agriculture; questions of principle are settled here in the house. During the next few weeks there will be considered by the house a large number of bills that will be in exactly the same category. There is the bill regarding companies which will be considered by committee of the whole; there is a bill respecting elections which will also be considered by committee of the whole and there are other bills of the same character.

Mr. MOTHERWELL: I have already today made one record, that is of voting for a government measure on the second reading regardless of its Conservative origin. I am going to make another one now by speaking on a point of order, something I have never done before. If I may be permitted to wander away from it as much as other speakers have done, I may get anywhere. To begin with, I may say that no later than to-day, anticipating that the Prime Minister might act up in this way in regard to this matter, I sought the best authority of the house to find out what to do in case the Prime Minister refused

me or anybody else the right to talk on the question of submitting the bill to the committee on agriculture instead of dealing with it here first. I was told that I could not raise the question on a motion that was not on the order paper; that the time to raise it was now when it was raised. That is all I know and it is the justification I have for introducing the matter when I did. Therefore neither the Prime Minister nor anybody else has shown me any overwhelming reason that we should not discuss the question now. Anything that one wants to say at the beginning of a new estimate, any general observation, is usually made on the first item called. The same with this bill. See how I am progressing in the matter of a point of order! If the government wants to take advantage of this quibble it may do so, but it is getting off on the wrong foot at the very beginning of the debate. I will ask the house: Have any hon. members ever asked themselves the question whether it was for love of party or for love of agriculture I gave my vote to-day? That is a fair question.

An hon. MEMBER: For love of agriculture.

Mr. MOTHERWELL: If it was for love of agriculture, then that is what I am standing up for now—the right for the bill to be submitted not to a committee on banking or a committee on railways but to a committee on agriculture.

Mr. MOORE (Ontario): I am inclined to disagree with the hon. member for Melville. I doubt whether this is an agricultural bill. It involves principles that extend very far beyond agriculture and if it is to go to a committee I suggest that it go to a select committee of the house.

Mr. VALLANCE: Mr. Chairman, have you decided what to do?

The CHAIRMAN (Mr. MacDonald, Cape Breton): Yes, I have decided that this discussion is entirely out of order.

Mr. MACKENZIE (Vancouver): What is before the committee at present?

The CHAIRMAN (Mr. MacDonald, Cape Breton): Section one.

Mr. MACKENZIE (Vancouver): Has it been read?

The CHAIRMAN (Mr. MacDonald, Cape Breton): No.

Mr. MACKENZIE (Vancouver): Then the whole discussion is out of order.

On section 1—Short title.

Mr. VALLANCE: I have a few remarks to make on the title of this bill which reads:

This act may be cited as the Natural Products Marketing Act, 1934.

This government says that it is. Is this really a natural products marketing bill? I say that it is not a marketing bill. I would like to join with those who have objected and I think I am right in making the statements I now make. When the Minister introduced the resolution on which this bill is based, I asked him whether it was the intention to send the bill to a select or a standing committee, the committee on agriculture. He refused to answer. The question was answered later on by the Prime Minister who said that it would not be and when the right hon. gentleman ranted this afternoon about the attitude of the leader of the opposition, the latter pointed out that if this bill had been left in the same position and had received from the government the same courteous treatment that the central bank bill did, it would not have been necessary to have a vote on it to-day. It was pointed out definitely at that time. I am one of those who object most strenuously. As was pointed out by the hon. member for Melville (Mr. Motherwell), we have had four bills submitted to us. The Prime Minister said that there was no principle involved; he indicated, at least to me, that only unimportant bills are sent to the agriculture committee. There was a bill that he dealt with himself, concerning garnet wheat, it came before the agriculture committee. If the ramifications of this bill are what some people would lead us to believe, and if such a large percentage of the Canadian people are going to be affected, why was not opportunity afforded them to make representations before the committee as has been done on former occasions? Therefore, with the hon. member for Melville, I register my protest.

An hon. MEMBER: You both talk alike, it is all the same.

Mr. VENIOT: Before section 1, the title, is adopted. I wish to say that I agree with the hon. member for Ontario (Mr. Moore) that this bill affects not alone the farming industry of Canada. Dealing with natural products, it also affects the great fishing industry. While I do not desire at the present moment to discuss the merits of the bill I do wish to raise my voice on behalf of the fishing industry of the province in which I live. If this bill is to be dealt with only in committee of the whole, then I say the interests of the fishing industry in the maritime provinces, and

especially in the province from which I come, will not be properly represented. There are perhaps only one or two hon. members in this house who are competent to lay before the committee of the whole house the effect this bill will have upon that industry. Had the Minister of Agriculture in introducing the bill stated that he was prepared to have it go before the agriculture committee I would have objected because my opinion was then and is now that a bill of this nature, having the title that it has, should not go before a committee on agriculture, composed for the most part of gentlemen who know nothing about the fishing industry of the dominion. It should go before a special committee consisting of representatives of the agricultural and other primary producers. It is for that reason that I voted against a second reading of the bill, because in going before the committee of the whole house justice cannot be done to an industry which I consider of scarcely less importance than agriculture. While I do know a good deal about the fishing industry I am not prepared as a member of this house to demonstrate the detrimental effects of the bill upon it, and discuss with the fulness of knowledge that is desirable certain sections of this bill which I claim will if adopted do great injustice to that industry. It may be said, move an amendment when you come to these sections. But, Mr. Chairman, while I do know a great deal about fishing, I am not competent to move an amendment to clauses which I consider will do great injustice and harm to my people, without having fuller opportunity of discussing it with them. This bill should be discussed before a special committee where these men could be heard as witnesses, and having had the bill explained to them they could then decide whether or not certain provisions would have a detrimental effect on their industry. I refer to section 4 in passing, I do not intend to discuss its merits, but just to give the reasons why I cannot accept clause 1 at the present time. The section refers to regulations and to registration. That provision alone, if made effective without this committee having had opportunity to benefit from the information that they could get from the fishing industry, would damn the industry in the province of New Brunswick.

Mr. MOTHERWELL: The Prime Minister recited the number of acts that had come to this house from the Minister of Agriculture this year, and I have recalled to my memory at least four. There was the Destructive Insect and Pest Act, the Dairy Industry Act, the Live Stock Products Act, and the Fruit Act; and in addition the Minister of Trade and Commerce submitted one amending the Grain Act. Now I do not think, Mr. Chairman, that you mean to gag this committee in discussing this question. We want to have a bill that will be satisfactory to those whom we all endeavour and desire to serve—not to conduct a ringside fight here. We have had enough of that. We cannot do our best legislatively by being treated the way this government is treating the opposition at this time and not only the opposition but the agricultural industry of all Canada. If you want to rub my fur the wrong way just be unfair to that great industry, to which I owe my very life and being and soul and everything. And that is what is being done. There are only a few of the ministers left here. I see that the Prime Minister has retired to his lair and the rest of them do not look quite so furious. There is the acting leader of the government looking as meek as Moses, and the Minister of Finance who is always at least half decent. I am quite sure that if he and the Minister of Agriculture had the decision of the question this bill would be over in the agriculture committee in five minutes. What sort of way is this for the Prime Minister to treat his Minister of Agriculture, after going through all the agonies and labour pains of producing this marketing baby, then to be refused permission even to refer it to the committee specially set up by parliament to deal with such matters? At the first session we were here in 1930 it is true the Prime Minister chaperoned all the estimates and all the bills and all of everything for all of his colleagues, but surely they are not still in leading strings so that the Minister of Agriculture and the hon. gentleman now leading this house cannot decide even now to refer it to the agriculture committee. If right now there were a vote of the members present, with whips off, no doubt two-thirds or three-quarters would vote for submitting it and doing the right thing at the right time in the way it has always been done. I have not had as long experience in parliament as some, but I shall soon have been here twelve years, and never before have I known a departure from the orthodox plan of submitting bills relating to agricultural matters to the agriculture committee, unless it were some little correction, dotting an i or changing a word or something of that nature. My good friend the Minister of Agriculture has not had one bill this year that he did not submit to the agriculture committee, and only one or two very unimportant ones since he took charge. I invite and if need be demand that one of the ministers in charge give some reason why all the facilities afforded by

parliamentary procedure should be denied to this bill and not to the other four referred to. The Prime Minister referred to the bill regarding garnet wheat, as if that were evidence of any kind to establish anything that was now under discussion, and then he disappeared. I do not want to be unreasonable, because after all apparently we have to submit to the brute majority of this house and make the best of this committee, but you see now, Mr. Chairman, what that means, an hour and more of useless toil and talk already.

Mr. RHODES: Perhaps I may be permitted to say a word merely on the question of procedure. We will leave aside for the moment the question of whether this bill ought properly to go to a special committee or to any committee of a special nature or whether it ought to go to the committee of the whole. We will deal purely with the question of procedure. May I point out that this committee of the whole is itself a creature of and is set up by the House of Commons—

Mr. MOTHERWELL: So is the other committee on agriculture.

Mr. RHODES: —and the House of Commons is the only place where it can be decided as to what matters should be referred to committees. It is not competent for a committee which is a creature of the house to tell the house itself what it shall do. Leaving aside any technical questions it seems to me the matter is obvious upon its face, so I submit that it is not competent for this committee to discuss whether or not the house was wise in submitting to it the measure now under consideration.

Mr. CASGRAIN: The house can do anything.

Mr. RHODES: That is exactly the point I am making, and the house has referred the bill to this committee. It seems to me that if at a later stage the question should be raised in the house that is something else, but certainly it is not competent for a committee to quarrel with the instructions it has received from the house. It would not be competent for this committee to determine that a bill before it should have been sent to a special committee of the house. It seems to me the question is not arguable and that we are only wasting time in a fruitless discussion on a question of procedure which cannot be determined.

Mr. MERCIER (Laurier-Outremont): Cannot the committee decline jurisdiction?

Mr. RHODES: No, the committee is a creature of the house and must obey the instructions of the house.

Mr. MERCIER (Laurier-Outremont): What if the committee says the house was wrong in referring this bill to it?

Mr. RHODES: It is not competent for the committee to say so.

Mr. MACKENZIE (Vancouver): Surely my hon. friend will agree that once we have resolved ourselves into committee of the whole and have started to consider the title of any bill, as we are considering the title of this bill at the moment, any member of the committee may discuss the procedure that has led us to the consideration of the bill. Then, as a result of the attitude adopted by the members, and as a result of the feeling of the committee of the whole, a minister of the crown or any private member of this committee is perfectly within his or her rights in moving that this committee rise, report progress and ask leave to sit again. Then the house immediately becomes seized of this bill and the minister leading the government can resolve as to the future conduct in connection with it.

Mr. RHODES: May I point out to the hon. member for Vancouver Centre that if the committee should rise, report progress and ask leave to sit again, which is quite within its competence, the notation which would appear upon the journals of the house is this: "House again in committee" on such and such a bill. Then ipso facto, without debate and without discussion, Mr. Speaker must leave the chair when that order is called by the clerk at the table.

Mr. MACKENZIE (Vancouver): The minister can move that the order be deleted from the journals.

Mr. RHODES: So far as the procedure is concerned with regard to the reference of the bill to this committee, we are no further ahead. I come back to my original point, leaving aside the question of the merits of the suggestion that the bill should be considered by a special committee. At the moment I am not discussing whether or not this bill should go to another committee; I say it is not competent for this committee to make any determination in the matter and therefore the discussion, quite apart from being out of order, is fruitless and can serve no purpose in the end.

Mr. MOTHERWELL: I did not catch any answer to my question. I asked what argu-

ments could be advanced for denying this bill the privilege of being considered by the agriculture committee that could not be advanced with regard to the bills I mentioned. What arguments has the Minister of Finance as to why that should not be done? He did not answer that question.

Mr. RHODES: I did not overlook it; I did not pretend to discuss it. The Prime Minister gave his reasons and there is no need for me to repeat what he has said.

Mr. MOTHERWELL: Then I take that as an admission that the minister has no such arguments, and there are none except to refer to the absent Prime Minister. The acting leader of the government is an old statesman, not in years but in service. He is looking up authorities now. I wish he would not bother answering something else that I am not asking, but would advance any possible arguments there may be as to why this bill should be denied the right to go to the agriculture committee.

Sir GEORGE PERLEY: All I can say is that I do not think this is the place to discuss that question. The Minister of Finance explained the matter very fully. If the hon. member wished to raise a question of that kind he should have done so in the house. Let us suppose this committee were unanimous in the idea that this bill should go to a special committee. We would have no power to commit the bill to any committee; that could not be done here at all. Therefore I submit to the hon. gentleman that he is raising the question at the wrong time. We are in committee of the whole, as the Minister of Finance explained so lucidly. He is a former Speaker of the house, one of the best we ever had; he understands the rules very well, and I submit that we should go on with this bill. It is perfectly competent for the opposition to raise this question in some other way, if they choose to do so, when we are in the house. I have forgotten the exact rule, but I suppose they can move to rescind the order if they wish. There may be ways in which they can take up the matter in the house, but they cannot do it here. Therefore I ask hon. gentlemen to go on with the bill in the meantime and discuss the different clauses as they come up, because we are only wasting our time when we talk here of whether or not this bill should go to a special committee. We could not decide it, even if we would.

Mr. MOTHERWELL: I thank my hon. friend; that was something in the nature of an answer, but is this not the committee of the whole house? If the question has to be submitted to the house are we not here now? That answer was not much better than the answer given by the Minister of Finance. Hon. gentlemen opposite have no arguments to advance; that is the whole trouble. They are just muffing it and bluffing it. I hold up both hands when my hon. friend says this is no place to discuss the bill; we know this is no place to discuss this involved and intricate question. We are making no progress here and won't.

Sir GEORGE PERLEY: I am sure my hon. friend does not wish to refer inaccurately to what I have said.

Mr. MOTHERWELL: You know my infirmity as to hearing.

Sir GEORGE PERLEY: Quite so. I did not say this committee was not the place to discuss the bill itself; this is the place where it should be discussed. I said this was not the place to discuss the question of whether the bill should be referred to a special committee or to the agriculture committee, because we are not competent to decide that matter even if we would.

My hon. friend from Gloucester also made some remarks to which I should like to refer while I am on my feet. He says he did not know enough about the fisheries question to discuss it in this house, and he wants the bill referred to a special committee. All the members of this house have a right to take part in the discussions of this committee, and a special one could only be set up from the members of this house; therefore the members of the committee would not know anything more about the fisheries question than the hon. member for Gloucester says he knows.

Mr. WOODSWORTH: Surely witnesses could be called.

Sir GEORGE PERLEY: That is another thing.

Mr. CASGRAIN: That is what you are afraid of.

Sir GEORGE PERLEY: The chief whip of the opposition thinks we are afraid of something, but he makes a mistake; we are not afraid of anything, even of the hon. gentleman himself. We do not think this is a matter which should be discussed outside, but one which should be considered in committee of the whole. As the Prime Minister has said, we feel that this is a proper measure for the consideration of the whole house, and that is why we are here.

Mr. MOTHERWELL: The acting Prime Minister has been very reasonable in the tenor of his remarks, anyway. As to whether or not he has been as reasonable in his logic, I have grave doubts. Let me assure him however, that if this bill is referred to the committee on agriculture, so far as I am concerned it will come away from that committee just the same as did another bill equally controversial and equally delicate, namely the Grain Act of 1929 and 1930. It then went through committee of the whole house in less than half an hour. After it had passed through the committee on agriculture, and the subcommittee, scarcely a word was found necessary in this chamber. I am as confident as I can be that if the government wishes to have unanimity in connection with this marketing bill, especially when it becomes operative, and does not wish to have one-half of the country on one side and the other half on the other—our friends to the left standing in this instance with us—it should take the best and logical course, the one which would bring about this desired end. The deliberation thus far in this committee is an example of what will happen between now and the time the bill passes through the entire committee stage. I am under no obligation to keep the peace, other than observe the Speaker's rulings, if we are not given access to the committee on agriculture. But if we are given that committee I shall use my best endeavours to have the bill passed without controversy, as was done on the one occasion referred to and can be done again. Have I played fair with the minister? I ask that question of the Minister of Agriculture, and if he were here I would ask it also of the Prime Minister. Up to this stage have I played fair? I think the minister will agree that I have, and I freely admit that he has also played fair with me thus far. To the other ministers I would say: Give the Minister of Agriculture the right to determine this matter. He has laboured strenuously to get the bill to the present stage; I know what he must have gone through. Imagine the combination which got together to prepare this bill—the Secretary of State and the Minister of Finance! Just imagine it. In their general Tory make-up and temperament they are about as much like the bill as night is like daylight. I compliment the Minister of Agriculture, and I say he deserves some recognition because of his heroic efforts thus far.

Apart from any little jest we may have there is a big principle involved. The first industry of Canada, agriculture, is being discriminated against by not referring this marketing bill to the committee on agriculture, that is the point. And do not make any mistake about it, I will ring those changes, and fight this rank injustice high and low throughout the country. Then, Mr. Chairman, if it were not for your good nature you would be putting the gag on us even now. Why cannot someone move that the committee rise and report progress and refer this bill to the agriculture committee?

Mr. MACKENZIE (Vancouver): You could do it.

Mr. MOTHERWELL: There is no use of us over here doing it. What good would it do if the hon. member for Vancouver Centre made the motion, or in fact any other hon. member on this side of the house? Will not some member of the ministry move that the committee rise and report progress, and that Bill No. 51 be referred to the committee on agriculture?

Mr. CASGRAIN: That would be better.

Mr. MOTHERWELL: If the Minister of Agriculture has a reasonably free hand, and I have taken a free hand I think the first step will be taken to ensure that a satisfactory bill will come back to this house, and go through it just like smoke. Of course we must secure the approval and assistance of all others to accomplish this.

Mr. MacLAREN: I do not think we are justified in assuming that this marketing bill deals with agriculture alone.

Mr. MACKENZIE (Vancouver): We said so.

Mr. MacLAREN: It does not.

Mr. MACKENZIE (Vancouver): Our amendment said so.

Mr. MacLAREN: This bill goes beyond matters relating to agriculture.

Mr. MACKENZIE (Vancouver): Just as the opposition amendment stated.

Mr. MacLAREN: Under this measure matters relating to fisheries may be considered, just the same as those affecting agriculture.

Mr. CASGRAIN: Then, why not appoint a special committee?

Mr. MacLAREN: I agree that agriculture will be the major—

Mr. MACKENZIE (Vancouver): Victim.

Mr. MacLAREN: —industry considered. I must urge, however, that more than agriculture will be considered. No doubt fish and other natural products will come within the provisions of the bill. The committee on agriculture does not deal with fisheries.

Mr. MOTHERWELL: Let them sit in. We will make the hon. member an honorary member of the committee.

Mr. MacLAREN: The bill involves so many natural products that, to my mind, the committee of the whole seems to be the proper body to act.

Mr. MARCIL: No doubt once the bill has been referred to the committee of the whole house, the committee can only refer it back to the house. In the circumstances the house itself must decide whether the bill shall be discussed by committee of the whole, the committee on agriculture or any other body.

I believe there is a general feeling throughout the country that something should be done not only for agriculture but for other industries. When the Minister of Trade and Commerce (Mr. Stevens) moved to appoint a special committee to inquire into price spreads the hon. member for Queens-Lunenburg (Mr. Ernst) suggested that fisheries should be inquired into, and I immediately supported his suggestion. I am sorry to say that up to the present time the price spreads committee have not considered fisheries. I should like to be informed as to what position that industry is in at the present time. I think the whole house would be in a better position to legislate thoroughly if it had before it the report of the price spreads committee. Evidently this bill merely follows in the footsteps of the other committee, a committee which has not yet made a final report. Why should we not have that report before us before taking action in this matter? Last week the chamber of commerce of Montreal sent out a circular suggesting about twenty-four amendments to the bill. The president of the board of trade, Mr. Magor, speaking on the radio only two or three days ago, condemned the bill in toto, as it now stands. In their amendment the official opposition have declared, in a word, that they would favour a marketing board, under certain conditions, but not under the conditions proposed at the present time. In the last paragraph of his speech the Minister of Trade and Commerce stated that this was merely a project, and that he was willing and anxious to secure any suggestions or amendments which might be offered. The same statement was made this afternoon by the Minister of Agriculture.

Of course, a majority has been recorded in favour of second reading of the bill. Evidently this was one of the largest majorities the government has had since taking office. They take the responsibility, and the people will hold them responsible. I believe, however, that in the interests of the industries they wish to protect they should deal properly with this bill, and we would be in a much better position to deal with it after receiving the report of the price spreads committee. Speaking for the great number of fishermen in my constituency I say that we have not all the information we should have for a full discussion. We are putting the cart before the horse; under ordinary circumstances the title is the last matter to be discussed. After a bill is given third reading a motion is made that the bill be passed and that the title be as on the order paper, or that the title be changed. As the point of order raised by the hon. member for Melville has been decided, I shall not discuss the ruling. I must say, however, that we have not the information we should have to deal properly with this matter, and I urge that the bill be referred to the committee on agriculture so as to give those who have an interest in the matter, those who are competent to speak, and leaders in trade and in all branches of industry, an opportunity to make certain suggestions which might be incorporated in the bill for the general benefit of the country.

Mr. MACKENZIE KING: Before we are asked further to consider this title I think we ought to hear from the Minister of Agriculture.

Sir GEORGE PERLEY: We are not on the title. We are on section 1.

Mr. MACKENZIE KING: We are on the title. Section 1 is the short title—this act may be cited as the Natural Products Marketing Act, 1934. That is the section that has been called by the chairman. I say we should hear from the Minister of Agriculture in virtue of which of its provisions this bill is entitled to be called a marketing bill. That raises the whole question we have been discussing on the second reading with relation to the principle of the bill. I say to the minister that I believe that those who have given study to this measure, and are really interested in a marketing measure, hold the view that this bill as drafted is not a marketing bill at all, in the sense in which that term is commonly understood, that it is a bill making provision for regulating

boards, either local boards or a federal board, or the governor in council that will tell the present marketeers when and where they may buy and sell their products. But it does not go further than that. I would like the minister to point out to the committee wherein the expectations of those who believe the government are providing them with state marketing facilities are likely to be realized. The Prime Minister has endeavoured to have it appear that the principle of this bill was state marketing. We have taken precisely the opposite view, that within the provisions of this bill you cannot find a section that sets out any system of state marketing of products. You have a central board and make provision for a lot of local boards for the purpose of saying who may produce and how much they may produce, and who can sell or offer to sell, and who cannot produce or sell, and other provisions of the kind, but you have not within the four corners of this bill any provision for a board that is going to assist in marketing the natural products of this country as producers have been led to believe is the case. If the minister will just tell us where the provisions are that make this a marketing bill, as marketing is understood by those who are interested in having their natural products sold abroad through the assistance of the state, we may perhaps determine whether or not even its short title is justified.

Mr. WEIR (Melfort): The fundamental principle of the bill is the regulation of marketing, and that has to do with marketing; there is no doubt of that.

Mr. MACKENZIE KING: The regulation of production and sale.

Mr. WEIR (Melfort): Not the regulation of production but the regulation of marketing. There is also in the bill a clause that states that the dominion marketing board has power to buy and sell and to name an agent to buy and sell, which is marketing.

Mr. MITCHELL: I just want to make this practical observation. I think we have wasted enough time in quibbling as to whether this bill should go to committee of the whole house or to a special committee. I voted for the second reading because I believe in the fundamental principle of the bill, but I would point out to the government that the keystone of the arch of this bill is whether you can get the various producers to cooperate with the policy, and I think they have a right to be heard. It is an old axiom and a true one that coercion sows the seeds of its own destruction. From that viewpoint alone I think it would be good policy on the part of the government to give the people who are most interested in this legislation an opportunity to be heard before a special committee of this house. I think that would be the sensible position to take notwithstanding that, perhaps through some misunderstanding of the procedure of this house, opportunity was not taken of the advantage when the motion to go into committee of the whole was moved, to make the objections which are now being made by the opposition.

Mr. MACKENZIE (Vancouver): I want to support what has just been said by my hon. friend from East Hamilton. When the resolution on which this bill was founded was first introduced I asked the minister this question:

> Is it the intention to send the bill to the standing committee on agriculture and colonization?
>
> Mr. Weir (Melfort): That still has to be decided.

I agree with what has been said before. Whether rightly or wrongly, earlier in the proceedings we moved an amendment believing conscientiously that the principle of this bill is not confined to marketing, and the amendment that was moved at that time plainly and explicitly so stated, that this bill not only affects agriculture—and this is where I have to differ with my hon. friend from Melville—but affects the products mentioned by my hon. friend from Gloucester, and affects mining, lumbering, the whole trade and commerce of the nation. It takes most sweeping powers over the trade and commerce of the nation. That is why I find myself wholeheartedly in support of the attitude adopted by my hon. friend from East Hamilton that this bill should go before a select standing committee of this house. The amendment that we moved set up what I am trying to convey to this committee now, that the principle of this bill goes far beyond the principle of agricultural marketing. Our belief that this bill should now go to a select standing committee of this house is quite consistent with the views we expressed in that amendment.

In speaking to a point of order the other day I stated that I would personally support marketing legislation such as I understood was being asked for by the producers of British Columbia, and I was referring particularly to the producers of fruit and of milk and dairy products in British Columbia. I still say that this is not the bill that has been asked for by those producers. I agree with my hon. friend from East Hamilton that these producers, whether they are from

British Columbia or other parts of Canada, should be given the opportunity of appearing before some committee of this house to voice their approval or disapproval of the sections and clauses of this bill. Then I venture to say that when the bill comes back from the committee on agriculture we shall find a great measure of unanimity in our expressions of opinion in regard thereto.

Mr. TURNBULL: Mr. Chairman, it seems terribly hard to map in advance a plan that will suit hon. gentlemen opposite because no matter what plan is advanced there is always a reason for opposing it. It does not matter if their reason for opposing it is the same to-day as yesterday. In fact, if it is different all the better.

On the second of February, on a motion of the Prime Minister to establish a committee of this house to inquire into mass buying and price spreads, a committee which has been set up and has taken a great mass of evidence, the right hon. leader of the opposition made some remarks which I have here.

Mr. MARCIL: If that committee has not presented its report the hon. gentleman cannot discuss it.

Mr. TURNBULL: I am not going to discuss it.

Mr. MARCIL: Nor can the hon. gentleman cite any evidence given before the committee.

Mr. TURNBULL: I am not going to. If hon. gentlemen will possess their souls in patience they can raise their points of order when there is reason. I am reading from the remarks made by the right hon. leader of the opposition on the motion for that committee, as reported at page 190 of Hansard. He said:

The motion indicates that there is to be an inquiry—

Mr. MACKENZIE (Vancouver): The hon. gentleman is out of order, Mr. Chairman, in referring to a previous debate of this session. I ask for your ruling.

Mr. TURNBULL: I will agree, Mr. Chairman, with the hon. member for Vancouver Centre, that I may not read from a debate of this session, but there is no reason why I cannot refer to it. I will say this: The leader of the opposition at that time took the position that there was no necessity for a committee to inquire into these things, that we all knew what the conditions were.

Mr. MACKENZIE KING: If my hon. friend is purporting to repeat what I said, I tell him right now that I made no statement

of the kind. I said that I thoroughly believed in an investigation, and I pointed out that there were facilities under the Combines Act for making many of these inquiries. There is no doubt in the world that the position I took was in favour of the fullest investigation on any matter of public interest.

Mr. TURNBULL: If the right hon. gentleman questions my statement I ask the permission of the committee, Mr. Chairman, to read what he said.

Mr. MARCIL: The hon. gentleman cannot refer to a previous debate of this session.

Mr. TURNBULL: What he did say was that what the country was interested in was not so much further inquiry—

Mr. MACKENZIE (Vancouver): Mr. Chairman, section 293 of the rules says that no member can refer to any debate of the same session on any question not then under discussion.

The CHAIRMAN (Mr. MacDonald, Cape Breton): That is perfectly right.

Mr. TURNBULL: I quite understand the very earnest desire of hon. gentlemen opposite—

Mr. MACKENZIE (Vancouver): To keep the rules.

Mr. TURNBULL: —to invoke the rules for the purpose of preventing their inconsistencies being shown to the house.

Mr. MACKENZIE (Vancouver): I rise to a point of order. The hon. member is out of order in imputing motives to other members.

Mr. TURNBULL: But the fact is that on a previous occasion the opposition took the view, with respect to an important commission, that inquiry was not necessary at all but that what the country wanted was action in regard to a matter everyone knew about.

Mr. ELLIOTT: Mr. Chairman, the hon. gentleman is ignoring your ruling in referring to a matter which you have decided shall not be discussed.

The CHAIRMAN (Mr. MacDonald, Cape Breton): The rule is that no member must:

—refer to any debate of the same session on any question not then under discussion.

Mr. TURNBULL: With regard to the matter at present under discussion, the producers referred to by my hon. friend from East Hamilton will have every opportunity of having their interests considered when the boards are being set up and when there is a

concrete plan to be presented. Moreover, the producers themselves will present that plan and they will be the ones who will initiate it. Their opportunities to be heard are there. This is only an enabling bill to make it possible for certain machinery to be set up, and to adopt recommendations that may be made by producer organizations with regard to the boards to handle the marketing of their products. I fail to see why it should be necessary to have a lot of witnesses come before parliament and dilate at length on the question whether or not we should pass enabling legislation to provide for the setting up of the boards. This bill does not set up the boards, though it empowers the minister under certain circumstances to do so. Why we should have witnesses to inquire as to whether the producers should be allowed to set up boards is another question, but there should be no question in committee as to what the nature of the boards should be.

The CHAIRMAN (Mr. MacDonald, Cape Breton): I have already ruled that this discussion is entirely out of order. I would ask hon. members to confine their remarks to the clause under consideration.

Mr. MOORE (Ontario): Before proceeding to the examination of section 1 may I ask the minister whether he has information to furnish this committee as to the results of similar legislation throughout the world. I wish to associate myself with the remarks of the hon. member for Gloucester. I think we should cooperate with the minister and the government in turning out a workmanlike act, but personally I feel that I am an incompetent workman. Now, this is not new legislation; there are other acts of the same sort throughout the world; they have existed for years. Is the minister in a position to provide us with information regarding the results of such legislation? It seems to me that we ought to have that information before us. If there ever was a good illustration of the evils of government intervention in business it is our position to-day, proceeding as we are to discuss a measure of this importance without having proper information before us. We are entitled to have that information. Perhaps it will be recalled that, speaking on the general principle of the bill, I urged that the government should have a mandate. That apparently they think they do not require. Now, however, I urge that the minister and the government, before we proceed to work out the details of the bill, should inform us as to what has happened under similar legislation throughout the world.

Mr. WEIR (Melfort): Perhaps the hon. gentleman will realize the magnitude of the question he has asked, because in his speech in the debate he referred I believe to a cotton monopoly, to coffee, sugar and a number of other marketing schemes of that sort. I suggest that it is not very complimentary to imply that we did not give any thought to the different marketing schemes that have been in vogue and to the question whether or not they have been satisfactory. A great deal of consideration has been given to different marketing schemes, but before we could attribute to any particular phase of any marketing act the failure of that act we should have to be in possession of complete information regarding all the conditions to which the working out of the act was subject. For example, suppose we had two cars, one black and one green, the black car with a velocity twice that of the green car: we could not say that the difference in velocity was due to the particular quality of blackness in one of the cars. That was the principle that appealed to me with regard to the hon. member's speech the other day, the precision with which he spoke and the evidence he gave that he had studied this question, as indicated by his ability to pick one thing out of each act and generalize on this particular, instead of coming to his conclusion after placing before us each part of any act and showing that it was that one factor on which he hitched the failure of the act.

With reference to this bill, we shall be glad to give throughout the discussion information with regard to the various acts that have been passed; but I think the hon. gentleman will agree that it is unfair to expect anyone to give a complete analysis of each of these acts and to indicate all the conditions under which it has operated. We cannot be expected to say to what particular element in any act failure, if there has been failure, is attributable. We have studied the conditions under which various acts have operated but they are so different from the obstacles which we are trying to overcome that we do not think any of these acts are altogether applicable.

The hon. member for East Hamilton thought it would be a gain to have witnesses brought forward to give their opinion regarding this bill. As the hon. member for Regina has pointed out however, the producers, whether of agricultural commodities or of the products of sea or lake or forest, will themselves put forward a scheme which they regard as satisfactory, and no other scheme will be forced upon them. I feel,

with the hon. member for Gloucester and others who have spoken, that the field covered, so far as products are concerned, is so wide that it would be impossible for us to have expert information regarding each of these industries. But surely this committee, composed as it is of members chosen from their constituencies by a majority of the people, and living in those constituencies, must know better than anyone else the conditions of the industries, the work and the needs of the people. For example, I believe that the hon. member for New Westminster knows quite well the desires of the people in his constituency with reference to the marketing of their products. The hon. member for Vancouver Centre stated that he did not believe this bill was the one asked for by the fruit growers of the Okanagan and the milk producers of Fraser river valley. All I can say is this, that we have been in consultation with different representatives from those various organizations, and it is my understanding that this bill, properly and sanely applied, will meet what they are asking for, and it cannot be applied unless they ask for it.

Mr. NEILL: What about clause 9?

Mr. CASGRAIN: What about clause 9, the power of the minister?

Mr. WEIR (Melfort): Clause 9 does not mean that any board will be set up in opposition to the wishes of an industry; no person would be absurd enough to think it would.

Mr. HANBURY: Why not restrict it, then?

Mr. WEIR (Melfort): When I was interrupted I was stating that the hon. member for Vancouver Centre can learn from the industries in British Columbia, whether the fruit growers of the Okanagan or the Fraser river valley milk producers, what their objections are to this bill. Copies have been sent out to those organizations; they have had ample time to discuss and investigate fully the provisions of the bill and they have made submissions to us with reference to it. I maintain that under the original draft of the bill they can do everything they have asked for to meet their needs, but because there is a difference of opinion as to the meaning of the wording I have, as I stated before, prepared amendments to clarify those clauses but in no way to make any radical changes in the principle of the bill itself. Therefore I repeat that because of the wide range covered in the bill and the impossibility of calling expert evidence from far afield, it would be better to have the bill considered in committee of the whole, especially when we should, I think, do ourselves the credit of admitting that any hon. member should be conversant with conditions in his own constituency. Speaking for myself I think I am conversant with the conditions and the needs of the people in the constituency of Melfort in the Carrot river valley. If not, I can easily make myself aware of what their desires are.

I will admit I gave serious consideration to the advisability of submitting the bill to the committee on agriculture, but the very discussion we have had here is, I think, one of the best reasons we could have for continuing the discussion in this committee where everyone will have an opportunity of expressing his opinion; he can bring forward any objections that the industry in his constituency raises and I am quite sure the hon. member for Vancouver Centre can put the objections of his constituents before this committee just as ably if not a good deal more so, than the growers or the members of the industry concerned themselves can do before the committee on agriculture.

Mr. MACKENZIE KING: The minister said, I think, he had some amendments he was going to submit. I would ask him whether he would not consider placing them on Hansard before the committee rises this afternoon so they would then be available to members for further consideration.

Mr. WEIR (Melfort): My understanding is that the procedure is to read in the amendments as we come to them clause by clause. I have stated their general effect; it is clarification of the principle. For example, I have an amendment to make clearer—at least there are people who feel this is done by the amendment—the relation that exists between the local board and any power it may have to use funds from the consolidated revenue fund. We also make clearer the fact that pooling is covered in the bill. I had thought that was included under the scheme submitted because no limitation was put on that scheme, that is that representative growers may submit a plan in their scheme asking that a poll be held. That I naturally thought would have been one of the first things under certain conditions that the minister, whether provincial or federal, would be asked for, to decide whether it was sufficiently representative. Another matter that is cleared up is that the organized producers can market their products where they decide, when they decide, in what manner they decide, through what agency they decide and also the means by which the

marketing of their products will be done, that is whether it will be on a pooling basis and whether there will be an initial payment or otherwise.

Mr. MOORE (Ontario): I am very sorry if the minister thought in what I said on this matter I had carefully selected instances of failure.

Mr. WEIR (Melfort): I did not mean to infer that.

Mr. MOORE (Ontario): May I ask whether the minister would like me just to outline briefly some of the measures of this sort that have failed so that we may have the evidence before the committee and the committee or members of it may make inquiries if they care to do so? In Australia the minister knows there are two commodities referred to marketing boards that are federal. One is an export control board for dried vine fruit or raisins. Windett, in Producer and Trader, at page 123, writing of the results, said:

> From the various forms of assistance which it receives, it must be concluded that the dried fruit export trade cannot stand on its own feet, and is in a less sound competitive position than is the fresh fruit trade.

And fresh fruit is not marketed in the same way.

The other matter is canned fruits. On canned fruits the state government of Victoria has already guaranteed 750,000 Australian pounds and the commonwealth government has expended some 890,000 Australian pounds. During the eight years ending 1932, production of tinned peaches, pears and apricots has on the whole been satisfactory, but the increase in the export trade has taken place at the cost of decline in the domestic consumption.

The other day I referred to legislation of this sort in Queensland and I shall not refer to it again.

I should like to take New South Wales and the experience in that state. I might say that the original marketing act was introduced in 1927; that is some years ago. They have had experience. Originally a majority of two-thirds of the producers was required. Votes were taken and the majorities were not secured. Provision was then made for reduction of fifty per cent. They excepted wool and wheat and dried fruits. They included eggs, rice and honey. But in August, 1932, a plebiscite of the honey-producers was taken and by a majority of 527 to 147 they voted in favour of abolishing the honey marketing board. Ballots have been taken to include wheat, butter, millet and stone fruits, and have been rejected. Since 1928, four plebiscites of the wheat growers have been taken to bring wheat under a compulsory pool, and in each instance the producers voted against the compulsory pool.

I wonder if I may briefly and rapidly run over some European experiences. In Bulgaria a price fixing and tax relief scheme was brought in in 1931. Prices were fixed above world parity, with the consequence that you had an increase, naturally, I presume, in the production of grain in Bulgaria. The government found it awkward to pay the compensations that were required, and that are referred to in this bill, so it issued certificates instead of money. Then the certificates lost their value, and in July, 1932, the monopoly bureau was abolished. Now I have not the information to go into these matters thoroughly. I am honestly desirous of having the government furnish us with fuller information than any individual member can secure. I have already made reference to coffee. You will recall that Brazil since 1905 has been trying through state intervention to bring about a stabilization of prices. Action was taken in the first instance by the state of Sao Paolo. What was the result? Other states in Brazil began to grow coffee, because it was profitable. Then other countries throughout the world were attracted to the industry, by reason of the artificial price. Finally the federal government had to intervene to abolish the state monopoly, and then as we know they had revolution in Sao Paolo.

In Chile, an act very similar to this bill was brought in in 1930. Bounties were to be raised by taxes on wheat and oats processed there, and on malt used by brewers, and by import duties on sheep and cattle. Then deficiency payments were to be made to the producers. It is interesting to note that apples were included; when exported they were subsidized, to the extent of four pesos per box. Then Chile ran out of money and the producers could not be paid. There was dissatisfaction, and finally revolution.

Mr. Chairman, I was not in favour of referring this bill to the agriculture committee. I quite agree with the Prime Minister and the government that this bill should be considered by committee of the whole house, because it involves not merely a marketing measure, it involves principles that affect the stability and the political life of the country.

Then I wish to refer to sugar. The minister knows that since the year 1925 and even before that attempts were made in a very vigorous way, to set up market monopolies

in sugar. He knows also that in 1931 at Brussels the brightest and best minds in the sugar industry of the world got together. I tell the minister there could have been no failure in the Brussels convention if the principle were right. They had had years and years of experience in trying to evade what the Minister of Trade and Commerce the other day called the shibboleth of demand and supply. These countries, Cuba, Java, Germany, Czechoslovakia, Poland, Hungary and Belgium were parties to the agreement, representing ninety per cent of the world's export trade in sugar, and before the end of the year Peru and Jugoslavia joined. The countries lived up to their agreement. There were grievous reductions in acreage, and vast armies of men thrown out of work, because that is a consequence of reduction in acreage. Then you had revolution in Cuba, a decline in the consumption of sugar, and no increase in price. I would have the minister remember that. There is an explanation, which I shall give in a short time. In June, 1932, the price of sugar declined to an all time low of 0·57 cent a pound duty free in New York. You had reduced acreage, reduced consumption and reduced price.

I shall not go extensively into the condition in Germany. There are many parallels. In connection with cheese the marketing board or the government provided that a fixed percentage of domestic cheese should be used in certain products, that butter should be mixed with margarine, that alcohol distilled from home grown vegetable and cereal products should be mixed with gasoline. They had a very rigorous marketing law and production law in regard to the growth of tobacco.

Then you have to face the working out of this measure. Only landowners who were given licences could market, and you had charges of favouritism in the issue of these licences. It was alleged that the bigger landowners got licences and the men with small holdings received no licences and were left with their crops on their hands. This is not a new measure, Mr. Chairman, it is a very old one. There is nothing new about it. Greece has been attempting to regulate the marketing of currants since the beginning of the century. She did it first through a currant bank; in 1904 the currant bank failed. Then they established a privileged company. That privileged company I take it was something of the sort that it is proposed to establish here, because it tried to be cooperative. And when the charter of the privileged company expired in 1925 the government refused to renew its monopoly, on the ground that the company had not improved the economic position of the domestic currant industry during the twenty years of its activity. I should like to have the minister bring us up to date with regard to that matter, because I want to do a workmanlike job in reference to this bill or none at all. I know this, that recently the government of Greece issued an order providing that every time a man buys two loaves of white bread he must buy one of currant bread.

May I ask the minister to give us information also with regard to a similar proposition in Latvia, in regard to the flax industry, in 1919. Provision was made for the licensing of flax growers and mills, for the collection of funds from domestic users and distribution on the export trade. At first it was very profitable; I understand that the government received a considerable revenue, but then the turn came; the government had to borrow funds from the bank, and later the government became somewhat embarrassed. I should like further information on that subject. Surely we are entitled to know something more than the wishes of our constituents in this matter; we are entitled to know how far measures of this sort have been tried and particularly to what extent they have succeeded or failed.

In the Netherlands—and I must say that I have a very great respect for legislation in the Netherlands, where they have, perhaps as clearly as any country in the world, respected what my hon. friend the Minister of Trade and Commerce apparently fails to respect, that is the law of supply and demand—they were driven in 1932, as apparently this government has been driven with the best intentions in the world, to devise marketing acts. Among others there was an act called the hog central control act, which contained the usual provision for stabilization and everything that was to be done to increase prices, but what happened? When that board took over the marketing of bacon the hog population of the Netherlands was 2,735,000. Within a few months they ordered a reduction to 2,000,000 and the last information I have is that the Dutch government has ordered a further reduction to 1,800,000, and there has been no increase in price.

We ought to study these matters, Mr. Chairman, for another reason. We can get some details as to how these things work out.

Mr. WEIR (Melfort): May I make a suggestion? I have listened with great interest to what the hon. member has said—

Mr. MOORE (Ontario): I have not finished.

Mr. BENNETT: Will the hon. gentleman continue his observations later and let the committee rise? I desire to make a short statement before six o'clock.

Mr. MOORE (Ontario): I shall be delighted to comply with the request of the Prime Minister.

Mr. WEIR (Melfort): That is what I was about to say. I move that the committee rise, report progress and ask leave to sit again.

Mr. NEILL: Might I suggest to the minister that the amendments be published in the votes and proceedings so that we may be able to consider them intelligently? When they are read by a chairman whom we cannot half hear it means a great deal of unnecessary debate, and members talk about something they do not understand. If we could see the amendments in print I am sure it would shorten the discussion.

Progress reported.

TAX ON GOLD

STATEMENT OF PRIME MINISTER AS TO CHANGE IN BUDGET PROPOSALS

Right Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, with the permission of the house I should like to make a short statement before we adjourn. In view of the general misunderstanding that apparently has arisen regarding the tax imposed on gold by the budget delivered by the Minister of Finance (Mr. Rhodes) a few days ago I think it desirable to make a statement which will clarify the situation.

The minister indicated that it was essential for him to raise by taxation approximately the amount of revenue lost by reducing the tax on sugar to one cent per pound, and he stated that he proposed to obtain from the gold producing companies that sum, which would be imposed in the budget for the current year.

The government of the province of Ontario protested against the imposition of the tax; Hon. Charles McCrea, Minister of Mines, has been in Ottawa for several days. In some quarters it was asserted that such a tax was an infringement upon the taxing powers of the provinces. I think that view may be disregarded, inasmuch as clause 3 of section 91 of the British North America Act provides that the exclusive legislative authority of the parliament of Canada extends to the raising of money by any mode or system of taxation. The Ontario government further suggested that the tax imposed in the manner indicated was in the nature of a royalty, which it was submitted could be imposed only by the province. For the reasons stated this contention could not be accepted. Mr. McCrea, as the Minister of Mines for Ontario, arranged that representatives of the gold mining interests of that province and others should meet the Minister of Finance and myself. The representatives of the gold producing companies expressed their willingness to assist in any reasonable way the government of Canada in balancing its budget, but pointed out that they were already subjected to very heavy taxation. We then pointed out that the price of gold for the year 1932 had averaged over $23 per ounce while the statutory price was only $20.67 per ounce, the added price being attributable, mainly or wholly, during that year to the premium on American money in Canada. In 1933 the average price received by the gold producers was $28.72 per ounce, which represented an average of $8.05 per ounce more than the statutory price of $20.67 per ounce. During the early months of the year the price received was less than $28, but when the president of the United States announced that the republic would buy all new gold at a price of $35 per ounce the result was that since that date the price of gold has approximated $35 per ounce.

The present premium on the price of gold is an unearned increment arising out of economic conditions and the monetary action taken by the United States of America as well as by the Dominion of Canada. We therefore indicated that, rather than have any question of provincial rights or royalties at issue between the dominion and the provinces, or any foundation being afforded for the suggestion that the dominion was interfering in the field of provincial taxation, we would substitute for the proposals of the minister a tax on the unearned increment of 25 cents out of every dollar received from the sale of gold by dividend paying companies in excess of the statutory price of $20.67 per ounce until May 31, 1935, and, in view of the high tax thus imposed, permit the corporation income tax paid by the dividend producing companies in 1934 to be credited against the tax on the unearned increment and thus avoid the charge that the government was imposing double taxation on the gold industry. The second question alluded to the low grade ore found in large quantities throughout Canada and the development of which the present high price of gold had greatly stimulated, resulting in great activity in prospecting the employment of large

numbers of people, and expenditures of large sums of money. With respect to low grade properties no special tax will be imposed until they become dividend producing properties, nor will the tax be imposed upon any company that was not paying dividends prior to the first of January, 1933, and which is now paying dividends. In no event is it proposed to tax unearned increment arising from the sale of gold when the price is $30 or less, as stated by the minister.

It will be a matter of satisfaction to the house and to the country to know that when we met the representatives of the gold producing mines and indicated to them clearly why the tax was imposed they expressed a most sympathetic appreciation of the financial situation, and although the large dividend paying mines, few in number, must pay the tax, they accepted the proposed method of paying twenty-five cents on the dollar of the premium payable on gold as not unfair. The tax does not in any event contemplate the taxation of the production of placer mines.

Mr. MACKENZIE KING: May I ask the Prime Minister a question which arises out of the statement he has just read? He has referred to the representations made by the Minister of Mines for Ontario. I observe in the press that representations were made to the government by the provinces of British Columbia, Nova Scotia and Quebec. Were those representations not considered? May I ask him further whether any representations were made by his own Minister of Mines?

Mr. BENNETT: With respect to the questions the right hon. gentleman has asked, may I say that the only formal presentation of the case for the provinces was made by the Hon. Charles McCrea. There were statements appearing in the press, but they were directed to the populace and not to the government, and it cannot be said therefore that we received any formal representations, except as indicated. The federal Minister of Mines expressed his opinion, as did all other members of the council, with respect to the matters affected. May I thank the hon. member for Ontario (Mr. Moore) for affording me the opportunity to make this statement before six o'clock.

Mr. WOODSWORTH: Would the Prime Minister indicate how the revenue raised under the proposed tax would compare with that under the first arrangement?

Mr. BENNETT: The difference would be very small, depending entirely upon two factors. One would be the price at which gold was sold, as I have indicated, which would determine of course the extent of the unearned increment, and secondly the extent to which gold was produced. If the gold is produced to the extent it was last year, or thereabouts, it is only a matter of arithmetic to point out to the hon. member that if the price was $35 the difference between $20.67 and $35 is $14.33. One-fourth of that is about, as will be observed, $3.58, whereas ten per cent of $35 is $3.50, which is less. The difficulty is that with respect to the lower grade properties it might be the taxation of a deficit, and therefore they are eliminated, which may mean some loss to revenue, but to that extent only.

Mr. HANBURY: Before the Prime Minister takes his seat may I say that I did not understand thoroughly the statement he made. Is it possible that the taxation on unearned increment will be greater than the income tax in all cases, or whether the tax will be a larger amount, whichever it may be.

Mr. BENNETT: I need hardly say that that question cannot arise, but that in no event can the income tax—12½ per cent of 50 per cent of the profits, which is the income tax against gold companies—amount to anything of that sort. A computation by the manager of one of the largest mines indicates payments under this plan of about $1,600,000 as against a slightly lesser sum under the other plan. But it will be observed that as this applies only to dividend paying properties it is obvious there may be a diminution of the revenue because there is no tax to be taken unless and until they are dividend paying properties, and if the price of gold falls to $30 an ounce there will be no revenue at all.

On motion of Mr. Bennett the house adjourned at 5.55 p.m.

Thursday, May 3, 1934

The house met at three o'clock.

STANDING ORDERS

Mr. A. U. G. BURY (East Edmonton) presented the fourth report of the select standing committee on standing orders and moved that the report be concurred in.

Motion agreed to.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

R. R. NO. 3, ARMSTRONG, B.C., MAIL CONTRACT

Mr. MACKENZIE (Vancouver):

1. What were the conditions laid down in regard to mail contract for R. R. No. 3, Armstrong, British Columbia?
2. Have any complaints been received against the recent holder of the contract and, if so, from whom?
3. Was the recent holder a disabled veteran?
4. Was the contract taken away from him?
5. To whom has the contract been now granted?
6. Was this person the lowest tenderer?
7. Is he an ex-service man?

Mr. SAUVE:

1. Contract expired March 31, 1934, and tenders were invited for a new contract.
2. No.
3. Yes.
4. Contract expired.
5. Geo. W. Game.
6. Equally low with two others.
7. No information.

VANCOUVER TERMINAL ELEVATORS

Mr. GARLAND (Bow River):

1. How many terminal grain elevators at Vancouver are operated as public terminals?
2. How many are operated as private elevators in which "mixing" may take place?

Mr. STEVENS:

1. Two.
2. Two, which may mix except in first four grades of wheat.

YAMASKA COUNTY—UNEMPLOYMENT RELIEF

Mr. BOUCHER:

1. What amounts did the government contribute under the terms of the Unemployment Relief Act, to the county of Yamaska, in each of the following years 1930, 1931, 1932, 1933?
2. What municipalities benefited thereby?
3. What amount was contributed yearly in respect of each such municipality?
4. What was the aggregate amount?

Mr. MANION (for the Minister of Labour): Under the Unemployment Relief Act, 1930, the following amounts were contributed by the dominion towards the cost of unemployment relief in the county of Yamaska:—

Notre Dame de Pierreville parish..	$ 749.58
St. Joachim de Courval parish....	875.00
Village of Pierreville.....	1,452.63
Parish of St. Gerard-Magella....	366.95
	$3,444.16

There have been no accounts received from the province under subsequent legislation for the county of Yamaska.

QUESTION PASSED AS ORDER FOR RETURN

VESSELS FOR CATTLE EXPORT

Mr. CASGRAIN:

1. How many vessels were specially equipped for the export of cattle under the control of the Trade and Commerce department within the last two years?
2. What are the names of persons or companies to whom such vessels belonged?
3. How much money was spent in each case?
4. To whom was such money paid?

Mr. STEVENS: Return tabled herewith.

DEATH OF MR. THOMAS HERBERT LENNOX

TRIBUTES TO HIS MEMORY BY MR. GUTHRIE, MR. MACKENZIE KING, MR. COOTE AND MR. POULIOT

On the orders of the day:

Hon. HUGH GUTHRIE (Minister of Justice): Mr. Speaker, it becomes my painful duty in the absence of the Prime Minister (Mr. Bennett) to announce in this chamber the sudden death of our esteemed colleague, Thomas Herbert Lennox which, I believe, occurred in the city of Toronto at an early hour this morning. The awful suddenness of the demise of our late colleague has cast a feeling of most profound sorrow throughout this chamber. It was but a few days ago that he sat in his place here and also but a few days ago when he was engaged in an important legal case before the Supreme Court of Canada. Little did we think at that time that he was so soon to be removed from this earthly scene. It brings before us very prominently the old admonition that in the midst of life we are in death.

Mr. Lennox had sat in this parliament for a number of years and I think I can say he had endeared himself to members in every corner of the house. His affable, genial disposition was manifest at all times and his friends throughout Ontario and in this chamber were legion. He was a native son of the province of Ontario, having been born sixty-five years ago in the county of Simcoe. He was the product of the public schools of Ontario and of the collegiate institute at Barrie. Afterwards he took his legal course and was called to the bar at Osgoode Hall in the city of Toronto. After having been called to the bar he immediately engaged in practice and from the very start of his career at the bar it may be said that he was wonderfully successful. He soon rose to a very prominent position at the bar; he was made one of His Majesty's counsel

learned in the law; he was elected a bencher of the Law Society of Upper Canada, and at the time of his death he was one of the undoubted leaders of the bar of the province of Ontario and one of the really great lawyers of the Dominion of Canada. His death will be sincerely mourned by his many colleagues in the legal profession. The late T. H. Lennox was a man of varied attainment and of many activities. During the war it will be remembered that he was exceedingly active; at that time, he cast aside his profession and his public life, and through his efforts to a very large extent the battalion known as the 208th was raised, he himself became the officer commanding, with the rank of lieutenant-colonel, and took that battalion overseas. He returned to Canada with an excellent military record.

Early in life our late colleague resolved to devote at least some portion of his time to what we might term the public service of the country, though I think it will be recognized on all sides that his chief interest in secular matters was in his own chosen profession of law. He devoted a very large amount of his time to his profession, he was engaged in a great many varied and important cases, and was not permitted to devote as much time to his public life as we would all have liked. As early as the year 1902 he unsuccessfully contested a riding for the legislature of the province of Ontario, but subsequently in the year 1905 he was elected for the provincial constituency of North York at a general election, and at four subsequent general elections in the province of Ontario he carried the same riding. He continued as a member of the Ontario legislature until he was first returned to the House of Commons as representative for the riding of North York in the general election of 1925, again in the year 1926 he was elected for that riding, and also in the year 1930 at the last general election.

He has had an eminently successful career both in the legislature of Ontario and in the parliament of Canada, and had he been able to devote more time to his parliamentary duties he would certainly have risen to a very high place in the public life of Canada. He was a man whom everyone liked, everyone regarded as a friend. While he was a hard fighter when a contest was on, he was a man who carried no bitterness, no acrimonious feelings when the contest was over. I believe one can say that all who knew him were his friends; few, if any, were his enemies. The suddenness of his taking off has produced a tremendous impression in this house. We all mourn him most sincerely. All we can do now is to lament his loss and express our feelings of regret and sympathy to those members of his family and relatives who survive.

It is to be noted that the deceased himself received some hard knocks during his lifetime. Only a few months ago his only son was suddenly killed in an automobile accident in the city of Toronto. Indeed, many of his intimate friends consider that Thomas Herbert Lennox never really got over the shock caused by his son's death.

He is gone from us, and all we can do is to respect his memory and lament his early death.

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): On behalf of honourable members of the official opposition, I desire to convey to the Prime Minister, to members of the government, and to other honourable gentlemen opposite the expression of our sympathy in the loss which they have sustained in the death of one of their fellow members of this House of Commons, one who for many years had been prominent as a member of the Conservative party in the province of Ontario.

In the appreciation which he has just expressed of the late member's career, the Minister of Justice (Mr. Guthrie) has reviewed in a fitting manner Mr. Lennox's attainments and services, alike to his profession and to the state. I join with him in recognition of the late member's talents and abilities, and in particular of his patriotic services at the time of the great war, to which the minister has made special reference.

As one who, for a short time, had the honour of representing the constituency of North York, I have knowledge of the considerable personal and political following which the late member enjoyed in that riding, and I should like to avail myself of this opportunity to express to Mr. Lennox's friends in the constituency my sympathy with them in the death of one to whom, over a period of so many years, they have given so large a measure of their confidence and support.

I also join, as all on this side will wish very sincerely to join, in the expression of sympathy for Mrs. Lennox who has been so suddenly and so greatly bereaved.

Mr. G. G. COOTE (Macleod): Mr. Speaker, I regret that the hon. member for Acadia (Mr. Gardiner) is not here. In his absence I would like to take the opportunity of saying that I am sure every member in this corner of the house joins very heartily in the remarks of the Minister of Justice (Mr. Guthrie) and the leader of the opposi-

tion (Mr. Mackenzie King) expressing our regret at the death of Colonel Lennox and our sympathy with his relatives and friends. May I say that I doubt if there is a member of the House of Commons who was more generally liked by his fellow members than was Colonel Lennox. I think that is one of the highest tributes that can be paid to any member.

Mr. JEAN-FRANÇOIS POULIOT (Témiscouata): Mr. Speaker, when I declared my pair yesterday with the hon. member for North York nothing was further from my mind than that the flag would fly at half mast over this building to-day as a tribute to his memory. For nearly ten years or sessions he was my pair, and I shall always have the most pleasant recollections of my dealings with the late hon. gentleman. We have been closely associated and I came to have the highest respect for his qualities. He had attained prominence at the bar of his province and at the bar of this country; he was a gallant soldier, he was a congenial member of this house, a very popular representative of the people, and a true friend. I join in the tributes which have been expressed to his memory, and wish to convey my most heartfelt and sincere sympathy to his family, to the members of the legal profession in the province of Ontario and in Canada at large, and also to my hon. friends on the other side of the house.

FRUIT AND HONEY ACT

NON-CONCURRENCE IN SENATE AMENDMENTS

Hon. ROBERT WEIR (Minister of Agriculture) moved:

That a message be sent to the Senate to acquaint their honours that this house disagrees with their 1st, 2nd and 5th amendments to the Bill No. 26, An Act respecting Fruit and Honey, for the following reasons:—

"Inasmuch as the clauses amended are identical with clauses in the following acts passed—

The Seed Act
The Root Vegetable Act

and it is essential that there be uniformity in such legislation."

And agrees to the 3rd, 4th, 6th, 7th, 8th, 9th, 10th, 11th, 12th, 13th, 14th and 15th of their amendments, without any amendment.

And that the Clerk of the House do carry the said message to the Senate.

Right Hon. W. L. MACKENZIE KING: before the motion to send the bill back is carried I wish to draw the attention of the house to one clause in this bill and the suggestion that the Senate has made. It is that after the words:

The minister may, from time to time, make regulations:—

There is inserted the phrase:

subject to the approval of the governor in council.

I think the extra precaution which the Senate is there taking in the matter of making known in as public a way as possible the regulations that may be passed is distinctly of advantage. I had hoped that the government would have seen its way clear to accept that amendment. I think the other amendments have reference to interprovincial trade, and inasmuch as this house is the guardian of the trade and commerce of the dominion it seems to me the amendments proposed by the Senate are very much in order.

Motion agreed to.

OATHS OF ALLEGIANCE ACT

Hon. C. H. CAHAN (Secretary of State) moved the second reading of Bill No. 57, to amend the Oaths of Allegiance Act.

He said: Mr. Speaker, this bill really takes the place of a bill that was introduced by the former Minister of Justice, the hon. member for Quebec East (Mr. Lapointe). After the hon. gentleman introduced his bill on March 13 last I conferred with him at the earliest opportunity, and it seemed expedient to suggest to him that the bill might take a slightly different form. After consultation with the hon. gentleman he withdrew his bill, with the result that the present bill was introduced on April 19 and fully explained to the house. In effect it is carrying out a resolution of the imperial conference of 1926 at which Canada was represented by the right hon. leader of the opposition (Mr. Mackenzie King) and his colleague the then Minister of Justice. That resolution of the imperial conference was carried into effect by the parliament of the United Kingdom, which passed the Royal and Parliamentary Titles Act, 1927, and on May 13, 1927, a royal proclamation was issued setting out His Majesty's style and title.

The oath of allegiance, as it appears in the present bill, is identical with the oath of allegiance as administered in Great Britain, in Australia, in the Union of South Africa and I think generally throughout the British Empire; and it is deemed expedient that the same oath of allegiance should be prescribed in Canada. I think, as far as hon. members have expressed opinions to me privately, this bill meets with the almost unanimous support of the house, and as I fully explained it on the previous occasion it seems to me that no further explanation is required at the present time.

Hon. ERNEST LAPOINTE (Quebec East): I desire to confirm what my hon. friend has said, and I am grateful to him for having asked me to confer with him as to this bill, which I support with great pleasure.

Motion agreed to, bill read the second time, considered in committee, reported, read the third time and passed.

DOMINION COMPANIES ACT

On the order for the second reading of Bill No. 64 respecting Dominion companies:

Hon. C. H. CAHAN (Secretary of State): I had hoped to be able to move the second reading of this bill.

Mr. P. F. CASGRAIN (Charlevoix-Saguenay): I have asked for a copy of this bill in the French language, but it has not been printed in French. It is so marked on the order paper, but I inquired yesterday and to-day and was informed that it is not printed in French. It is quite important that we have the French version, because many explanations will have to be given.

Mr. CAHAN: I was about to move the second reading, but last evening I was notified by one of my colleagues whose maternal language is French that he had not been able to procure a French copy at the distribution office. I understand that it is in print, but perhaps the final distribution has not been completed. Hon. gentlemen might allow the bill to receive second reading awaiting final distribution of the French copy, though under the rules my hon. friend is perfectly right, I cannot insist upon second reading if the French copies are not distributed.

Mr. CASGRAIN: I do not think we should be asked to consent to the second reading of this bill without having it printed in both languages.

FOOD AND DRUGS ACT AMENDMENT

Hon. MURRAY MacLAREN (Minister of Pensions and National Health) moved the second reading of Bill No. 70, to amend the Food and Drugs Act.

Mr. E. R. E. CHEVRIER (Ottawa): Mr. Speaker, I have some remarks to make in connection with this bill, but I should like to know if the minister intends to have this bill considered by the committee of the whole or by a special committee.

Mr. MacLAREN: It is entirely at the option of the house as to whether or not any discussion takes place at the present time. Perhaps I might explain the bill a little further than I did on the motion for first reading. The main objects of the amendments in the amending bill are to produce a conformity between the Proprietary or Patent Medicine Act and the Food and Drugs Act. Under the Proprietary or Patent Medicine Act there is a provision whereby in the case of certain diseases it is not permissible to sell certain drugs or remedies. That provision does not obtain in the Food and Drugs Act. It so happens that when on some occasions people find it is not permissible to sell remedies under the Proprietary or Patent Medicine Act they seek permission for the sale of such remedies under the Food and Drugs Act. As the object of the provision under the Proprietary or Patent Medicine Act with reference to the prevention of the sale of certain remedies for the treatment of certain diseases is for the protection of the public, and as time may be lost in the event of people acting on advertisements of those remedies, these changes are proposed to the Food and Drugs Act.

Another provision presents the adulteration of vinegar through the use of acetic acid. Then, there is a schedule of diseases for which remedies may not be sold. There is provision whereby in the light of subsequent knowledge, changes in the list of diseases and list of remedies may be made by order in council. From time to time therefore, if found desirable, certain changes may be effected by order in council.

Mr. SANDERSON: I should like to ask the minister if there have been any requests for these changes, and especially those changes affecting drugs and proprietary articles. If so, from where did the requests come?

Mr. MacLAREN: There have been many requests for the changes. To begin with, departmental officials have felt that this action should be taken, and in addition, the amendments have been submitted to many of the medical men of the House of Commons, who have expressed their approval.

Mr. SANDERSON: Mr. Speaker, I should like to ask the minister—

Mr. SPEAKER: The house is not in committee. If any hon. member wishes to speak he is at liberty to do so, but the house is not in committee.

Mr. SANDERSON: Do you rule that I cannot ask another question of the minister?

Mr. GUTHRIE: Wait until we get into committee.

Mr. SPEAKER: I was just pointing out that the procedure followed in this instance is not in accordance with our rules or customs. It is not customary on second reading to engage in a general questioning. However, if the house chooses to do so, I have no objection.

Some hon. MEMBERS: Question.

Motion agreed to, bill read the second time, and the house went into committee thereon, Mr. Smith (Cumberland) in the chair.

On section 1—Regulations by governor in council.

Mr. CHEVRIER: With the principle of the bill I have much sympathy, because I understand that it is directed against sales by people commonly known as quacks, and with a view to protection against such people. Although I have much sympathy with the measure there are some features in it with which I cannot agree in toto. For instance, as I understand the bill, any remedies which may be self-administered can no longer be imported, manufactured or offered for sale. I have in mind this case: I understand that for the treatment of arteriosclerosis there are certain standard drugs prescribed by the medical profession, but which the profession do not compound. One goes to his medical adviser who prescribes a certain medicine or solvent. These medicines are already made up; the patient goes to the drug store and presents the medical prescription. The druggist takes pills from a bottle and puts them into a box, and after the box is labelled we are allowed to take it home. From the drug store we may purchase some medicine which has been imported or manufactured. If the bill now before us became law I understand that I could not go to a drug store to buy some of these specific remedies declared to be valuable in the softening of arteries, or when used as a solvent.

Let us suppose that we are suffering from blood poisoning. What would be my position if, going to camp, I decided to take iodine, mercurochrome, listerine, peroxide, or some other medicines which could be used in the event of an accident? In a case of blood poisoning those remedies would be self-administered. We know that blood poisoning may be caused from an interior condition, or from a scratch. Supposing I happened to be in the woods, and while walking I tripped, thereby causing some part of my body to become infected, under this measure I could not have iodine or mercurochrome. I could not take one of those disinfectants to my camp, nor could I import, manufacture, offer for sale or advertise by any means whatever, nor sell any remedy recommended or suggested for use for self-administration. That would be my difficulty. I suppose if this bill passed the country storekeeper would not be at leisure to sell any more painkiller, because it might be used to combat blood poisoning, or some such ailment. To what extent should we be limited because it was a self-administered drug? For instance, when I go to camp I might want to take with me spirits of ammonia. It might be for a case of chronic heart disease or for a heart attack that might suddenly develop. As I interpret this clause I could not take up with me spirits of ammonia because it was going to be self-administered. Clause 2 reads:

No person shall import, manufacture, offer for sale—

any of these drugs that might be self-administered.

It is quite true that pills have been sold for a large number of diseases, and I fully agree that the public should be protected; but take obesity, for example. There is the glandular kind, and obesity that results from over-eating and under-exercising. As I understand the effect of this bill the remedy for obesity of the glandular kind would be barred. That might be all right. But to what extent would this prohibition apply to treatment by way of dieting, plus the use of some drug, probably laxatives, which are sometimes used. I have a lot of sympathy with the principle of the bill but I would suggest that it be referred to a mixed committee of medical men, who I suppose are the ones primarily interested, and practical men—I am not saying that offensively—so that the Food and Drugs Act might be considered both from the point of view of the medical men and of protecting the rights and privileges of the public. We do not want the ordinary rights of the people trampled upon.

Mr. MacLAREN: I do not think that the interpretation placed upon this amendment by my hon. friend from Ottawa is a correct one. The amendment does not propose to prohibit the manufacture of any remedy. It proposes to prohibit the sale or manufacture of any remedy for self-administration in the case of the diseases which are listed under the Proprietary or Patent Medicine Act and which it is thought can be placed, with advantage to the public, under the Food and Drugs Act. That is a different thing altogether. It altogether depends on the objective. This amendment does not prohibit the manufacture of the remedy but it says that the remedy must not be manufactured or sold or advertised for certain diseases or conditions, which is a different thing altogether.

Mr. CHEVRIER: I am not satisfied with the explanation that has just been given by the minister. I have the greatest respect and the kindliest feelings for him, and he knows it, and I do not intend to quarrel with him at all. I stated at the outset that I agreed with the principle of the bill to protect people from themselves. But I ask the minister, will this bill prevent me taking iodine, for instance, to my camp? The bill says that you cannot sell or manufacture these remedies which are to be self-administered. Of course, if a doctor prescribes the use of that remedy it would be all right, but I am speaking of iodine that is going to be self-administered, and which, as I read clause 2, cannot be imported, manufactured or offered for sale. I should like the minister to make sub-clause 6A plain. I cannot get it. Under its provisions you cannot even offer for sale or advertise any of these antiseptics that may be used in the case of blood-poisoning. Of course, I agree that one would have to determine what blood-poisoning was. But suppose it was caused by a scratch; how, under this clause, am I going to use iodine or listerine or lysol or any of these other antiseptics. I am not here to advertise these products by mentioning their names. Take any antiseptic that might be used for that purpose.

Mr. MacLAREN: What the amendment seeks to correct is self-administration in the case of diseases where valuable time may be lost and recovery delayed by self-administration instead of medical treatment. I do not think it is a reasonable interpretation to say that one could not under this clause make an application of iodine to the skin. It is the advertising of remedies for self-administration in the treatment of these diseases and their sale to the public for that purpose that we are seeking to prevent. The public at the present time very often depend on these advertisements and believe that they are going to obtain benefit from these remedies, when such is not the case.

Mr. SANDERSON: I would ask the minister if the object of this legislation is to restrict the sale of proprietary articles, commonly called patent medicines, by druggists.

Mr. MacLAREN: This amendment does not affect what my hon. friend refers to in the slightest.

Mr. SANDERSON: I am only asking if it does.

Mr. MacLAREN: And I am simply answering my hon. friend's question. This has nothing to do with patent medicines. They come under the Proprietary or Patent Medicine Act. This is the Food and Drugs Act, and this amendment does not touch the sale or prohibition of sale of patent medicines. It is limiting the sale of certain remedies for the treatment of certain diseases under the Food and Drugs Act. The question of patent medicines does not come directly under the amendment.

Mr. HOWDEN: I presume, Mr. Chairman, that we are discussing clause 6A of section 2. I did not know that we had dealt with section 1. But if we are discussing clause 6A I take it to mean, and I would ask the minister to correct me if I am wrong, that remedies such as might be prescribed for diseases listed in schedule A shall not be imported, manufactured, advertised or offered for sale by others than qualified medical men. I assume that is the meaning of the clause. If the clause is so sweeping as to mean that no pharmaceutical company, medical man or anyone else shall import a remedy which may be prescribed for the treatment of arteriosclerosis, let us say, or Bright's disease, in my opinion it is too broad. If, on the other hand, the bill is intended to prohibit other than medical men or qualified persons from importing and offering for sale medicines of a nature not safe for one not posted to take without directions, then I think the clause is entirely in order. I should like an explanation from the minister in that regard.

Mr. MacLAREN: The amendment states that it shall not be for selfadministration.

Mr. CHEVRIER: Once a remedy is recommended by the label on the bottle it becomes a remedy recommended and you cannot sell it.

Sir GEORGE PERLEY: Recommended for self-administration only.

Mr. CHEVRIER: You may have a pain-killer which could be self-administered in the bush to prevent a cold. The label might state that it is a preventative of colds, but you would not be able to sell it, to advertise it, to manufacture it or to import it because it is recommended and is to be self-administered.

Mr. BELL (Hamilton): Get the other fellow to give you a dose and then it would not be self-administered.

Mr. CHEVRIER: My hon. friends may know what it means but I do not. I am in favour of the spirit of the bill but I think we should be able to understand it.

Mr. COTNAM: If the hon. member will read section 6A a little more carefully he

will see that it has nothing at all to do with common colds. It refers to the diseases mentioned in schedule A which are of such a nature that remedies prescribed or self-administered without the supervision of someone who understands the disease might be harmful to the individual and may even endanger or imperil his life if there was any delay. I think all medical members of the house will agree that remedies for the diseases mentioned in this schedule should be carefully prescribed and taken only on the instructions of a qualified medical practitioner.

Mr. CHEVRIER: Suppose a man has blood poisoning and he purchases one of these disinfectants which are recommended for the cure of blood poisoning, perhaps by superficial application. These remedies are recommended and suggested for that purpose and I want to know how they would be affected by this bill. I did not draft the bill and I am trying to get an interpretation of its meaning. This is the time to get that interpretation, not when we get into court. I ask the minister or someone in authority if, after this bill goes through, I will be able to purchase one of these disinfectants which are recommended or suggested for blood poisoning and which may be self-administered.

Mr. McGIBBON: I think that difficulty could be overcome by adding just a word or two to the clause. The hon. member is confusing external applications with internal medication. It looks to me as though the schedule contains one or two diseases which could be left out. I think influenza and probably alcoholism could be left out. The rest of the diseases are of such a serious nature that a medical man ought to be called in immediately. There are no known medicinal cures for some of the diseases mentioned, surgery is the only method by which a cure can be effected. The hon. member is referring to remedies such as lysol which are not taken internally. I do not think there is anything in this bill to prevent a man from using that remedy externally. If there is, I suggest that the words "for internal medication" be added. We must protect the public against themselves and against their own foolishness. We must protect them against deception. This is in the interests of their health and even of their lives. For instance, take cancer. Everyone knows that it runs a certain length of time before it breaks away from its original moorings or location. If that happens the patient is doomed. Time is important in this disease, as it is in tetanus, or what is commonly known as lockjaw. In nearly all these cases time is an essential factor and drugs are mostly useless. I think I would be safe in saying that there is not a disease in this category in which medicine would be worth anything as far as effecting a cure is concerned. There is great danger in the delay which may occur by the application of these quack remedies, and the patient may lose his life.

Mr. ELLIOTT: I think the discussion could be clarified a good deal if the minister would tell us what is meant by "recommended or suggested for use." Influenza is one of the diseases mentioned in schedule A and of those mentioned it is perhaps the one most frequently treated by home remedies or by remedies obtained from the drug store. After this bill becomes law, could a person having influenza go to the drug store and purchase a remedy which states on its label that it is good for influenza? Will that be permitted, or will he have no right to do that? I do not think he should have a right to go to a druggist and say, "I have influenza, what do you recommend for it?" I take it that the druggist must not suggest that a particular remedy is good for influenza. As I understand the meaning of this bill, after it becomes law no one will be able to go to a drug store and purchase a remedy for any of these diseases when the label on the bottle or the verbal representation of the druggist is to the effect that it is recommended as being good for any one of these diseases.

Mr. MacLAREN: I think the interpretation given by my hon. friend is approximately correct; it is nearer the truth than that given by other hon. gentlemen. We have heard the old time honoured remedy referred to more than once to-day, and that is painkiller, but painkiller does not come under this amendment or under this act. There is some confusion on the part of some hon. gentlemen about this matter. Painkiller finds its resting place, I believe, under the Proprietary or Patent Medicine Act and it is dealt with there; whether it may or may not be sold is determined under that act; it does not come under our proposed amendment.

With reference to influenza, that is no light matter. Does my hon. friend realize the last year in Canada, for which a report is available, there were 4,500 deaths from that disease, so it is a highly important subject. Let us take afflictions that are familiar to us, for instance, the case of lockjaw, which is another name for tetanus; if the sufferer, on the advice of some kind friend, resorts to some remedy that the latter has found good, it may be for

something else, the time has gone by for the remedy that we know is practically the only one that is helpful and curative in tetanus or lockjaw, and that is by administering antitoxin.

These are striking examples and as we know we may come down to a boundary line; that is natural in all matters of legislation. As we are all aware it is of the first importance to act at once in the case of diphtheria, and how? By administering an antitoxin. Some friend or next door neighbour can hardly be a safe adviser in such cases. The whole measure is one designed to protect the public. One constantly hears about cancer to which the hon. member for Muskoka-Ontario has referred. What do we all hear? If this had been dealt with earlier, the prospects of success would have been substantially good. In cancer there are probably two remedies that are of use: one is by surgical operation, removing, if possible, the cancer, and the other is by administering radium or X-ray. There are no successful remedies other than those I have mentioned, and if a neighbour or somebody else suggests some remedy, the opportunity for the man or woman who is trying to treat it in this way, is slipping fast, That is all.

Mr. HURTUBISE: I have no doubt that the aim of the bill is to protect the public from the misuse or abuse of medicines, but I think the whole trouble is that the wording of the bill is not very clear. The real trouble is about the word "remedy." Drugs are either crude or compound and crude may be open to the public as to its name and purpose while compound may also be open to the public with the prescription written on the bottle, or it may be patented with a secret prescription. The clause reads:

Nor sell any remedy—

What kind of remedy? Is it crude, open prescription or patent medicine? If the wording comprises patent medicine, it should read:

Nor sell any remedy recommended or suggested and labelled for use for self-administration.

I know for a fact that in the patent medicine branch there is a board of supervisors of patent medicines or patent prescriptions coming in and anything that is harmful is not accepted. This bill is to prohibit the importation, manufacture, offering for sale, advertising by any means whatever or selling of any remedy recommended or suggested in the case of certain diseases. It is to forbid a person or a company to put on the market a medicine recommended by advertisement or by pamphlet or in any other way such as by the label on the bottle, that it is to cure some of the diseases mentioned. Those diseases are considered by the supervisors of medicine serious enough that they should not be meddled with by anybody except those qualified. Therefore I think the clause should read:

Any remedy recommended or labelled for use for self-administration in the treatment of any of the diseases—

And so forth. I think that would cover the whole point.

Mr. MacLAREN: I think my hon. friend will find that what he is suggesting now is already covered in the act. All of those remedies that come under the Food and Drugs Act have the formula on the bottle or the case or whatever it may be. Let us say the bottle; the formula now has to appear on it That I understand is what my hon. friend has been suggesting and that now is operative under the act.

Mr. VENIOT: Under which act? The Proprietary or Patent Medicine Act?

Mr. CHEVRIER: I would like to ask the minister one last question. He has spoken about influenza. There is influenza and influenza. We know at one time an influenza epidemic caused us a great deal of harm, trouble and death. But we are in the habit of calling grippe and cold by the same name. My question is this: If I call that cold or grippe, influenza; if I go to a corner drugstore and buy quinine which is recommended and suggested by everybody and this is contained in a box labelled "quinine, infallibly recommended for influenza, grippe and colds," what happens to me and what will be the position of the man who sells it?

Mr. MacLAREN: My hon. friend is speaking outside the provisions of the act. I will say first that this has nothing to do with proprietary or patent medicines. They are dealt with in another act. The hon. gentleman mentions certain articles and asks whether under the conditions indicated they could or could not be sold. They could not be sold and have not been sold for years, under the Proprietary or Patent Medicines Act.

Now let us get down to what we really have before us. This amendment deals with such remedies as are not permitted to be sold under this act for certain purposes, and the question as to quinine does not arise, because as I say these remedies must have the formulae on the bottles.

Mr. CHEVRIER: Where do we get that? It is not in the bill.

Mr. MacLAREN: We find it in the Food and Drugs Act, chapter 76, revised statutes of Canada, 1927.

Mr. SANDERSON: A couple of minutes ago the minister replying to a question of mine said that this amendment would not restrict the sale of proprietary articles or patent medicines so-called, in drug stores. Yet in answer to a question by the hon. member for West Middlesex (Mr. Elliott) he said that if a customer went into a drug store and asked for some remedy for influenza and the druggist said, "Here is something that will help you," and sold it to him, and he went home and administered the medicine to himself he was acting contrary to the law. The minister admitted that this bill would restrict the sale of certain articles in drug stores. Am I right in that?

Mr. MacLAREN: No, you are not quite right.

Mr. SANDERSON: Then I shall await further explanation from the minister. There is another point. According to this amendment the breach of the act will consist in self-administration of the medicine. If a man buys at a drug store a bottle of something for influenza, takes it home and his wife gives it to him, or his neighbour, or a nurse, is he liable under the act? Who would be liable under such circumstances; would the man who bought it and the wife or nurse who gave it to him also be liable?

Mr. BELL (Hamilton): Husband and wife are one.

Mr. HANBURY: Not always.

Mr. SANDERSON: Well, say the neighbour's wife, what about that?

Mr. BELL (Hamilton): That would be a scandal!

Mr. MacLAREN: I think there is no doubt there would only be one left if some of the suggestions of his friends or even the wife were followed. The person who sells is responsible.

Mr. SANDERSON: Then this legislation does restrict the sale of certain remedies in drug stores?

The CHAIRMAN (Mr. MacNicol): Before going further I think I ought to call the attention of the committee to the fact that we are discussing section 2, whereas section 1 has not yet been dealt with.

Mr. SANDERSON: I put a question to the minister. He told me the bill does not restrict the sale of certain articles although he told the hon. member for West Middlesex that it does. Was his answer to me correct or incorrect?

Mr. MacLAREN: If my hon. friend would listen a little more carefully—

Mr. SANDERSON: I am listening very patiently.

Mr. MacLAREN: But not clearly. I think that is a correct choice of words. I do not conceal this fact, that it is difficult to frame that provision so clearly that those listening perhaps for the first time follow it exactly. One must remember that the articles dealt with are those registered and labelled under the Food and Drug Act. It does not contemplate the suppression of the manufacture of drugs of all kinds nor does it say that a remedy like, say, quinine cannot be sold. These remedies referred to are covered by the Food and Drugs Act and labelled with a formula and sold for a certain purpose.

Mr. VENIOT: Those are not affected under this bill?

Mr. MacLAREN: Those are the very ones that are affected. That is what I am trying to make clear. Now it may be that that clause is not as clear as it might be. I would like to have some hon. members suggest a better wording. I might be prepared to act on it. I am considering whether I will move that the committee rise and report progress with a view to redrafting that clause so that it will be clearer and more easily interpreted. That would be under subsection 6A and I presume section 1, that has not been discussed at all. I would like to say a word about that. Should there be at any time reason to change that list of diseases or should there be reason for change in certain remedies mentioned in schedule B, it should be provided that those changes could be effected by order in council. Otherwise it would mean coming back to the house for an amendment. Science advances from year to year, knowledge increases continuously. While the views expressed are the views held by my department and others, it is felt that there should be freedom to make changes by order in council in the light of future knowledge.

Progress reported.

Mr. GUTHRIE: Mr. Speaker, it was expected that we would go on with three bills standing in the name of the Minister of Finance (Mr. Rhodes), but he is engaged in the banking committee and will not be free until

this evening, when he desires to proceed with those bills. In the meantime I would move that you leave the chair for the house to go into committee of supply, and we will take up the Department of the Interior, Indian Affairs.

Motion agreed to.

SUPPLY

INDIAN AFFAIRS

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

Indians: to provide for expenses connected with the administration of Indian Affairs, including salaries, supplies, relief, medical attendance, hospitalization, dwellings, agricultural activities, surveys, roads, bridges, irrigation, dyking, education, etc., and a grant of $100,000 approved by parliament in session of 1926-27, $3,939,500.

Mr. BOUCHARD: Would the minister tell the committee what agricultural activities are carried on under this vote?

Mr. MURPHY: In the different provinces, notably in Ontario and the western provinces, and to a lesser degree in British Columbia, Quebec and the maritimes, Indians carry on agricultural pursuits on reserves which are suitable for such a vocation. In Ontario there are certain reserves, such as the Six Nations reserve at Brantford, and the Tyendinaga reserve along the Bay of Quinte, as well as others throughout the province, where the Indians carry on farming operations in the same manner as they are carried on by their white neighbours, and the same condition applies in the west, where there are many reserves large in area and located in fertile regions.

Mr. McINTOSH: Will the minister explain what advance the Indians are making in the way of agricultural development?

Mr. MURPHY: In connection with the residential schools farms are operated, and the children are given instruction not only in reading, writing, arithmetic and the usual courses of study prescribed for public school but also practical instruction by the heads of the institutions in the different phases of agriculture, such as the care of cattle, swine and horses and the growing of crops. This practice has been in effect for a great many years, and I am happy to tell the committee that we in the department believe progress is being made to quite an extent. As the committee knows, in the past the Indians were not an agricultural people; they were rather a pastoral people or, shall we say, devoted to the chase. During the years that this policy has been in effect, however, the children of the second generation have made appreciable progress. Those who first attended these schools may not have made that progress which we could have wished, but we have found that it is the custom of the pupils of those various residential schools to intermarry, and on going to the schools their children are noticeably more intelligent and more interested in agriculture.

Mr. MARCIL: I have two Indian reserves in my constituency, Maria and Restigouche. A few days ago I sent the minister a letter I received from the superior of the Capuchin monastery at Restigouche, in which he directed attention to the condition of the roads in that reserve. It lies on the banks of the Restigouche river, opposite the town of Campbellton, and is surrounded by a splendid network of highways built by the province of Quebec. Ste. Anne de Restigouche is a pilgrimage centre to which thousands of people come from all parts of Quebec and the maritime provinces to visit the church, which is one of the oldest in the district. According to this reverend gentleman the roads within the reserve are in very bad shape, though the surrounding roads are in good condition. He complains that nothing has been done for some time and in the letter which I sent the minister he makes a number of suggestions which I think are very timely. These Indians are the survivors of the Micmacs of the old days, who reside on the Restigouche. They earn their living by doing a little cultivating and by acting as guides for fishermen on the salmon rivers in my county and the surrounding districts. Some of them work in the sawmills when they are in operation, but there is not very much of that work at present. This gentleman points out that the reserves are in a pretty neglected condition, not through any fault of the agent but because of lack of funds, and I should like to know what the minister intends doing this year.

Mr. MURPHY: Did I understand my hon. friend to say there were two reserves?

Mr. MARCIL: Yes, Restigouche and Maria. They are both in Bonaventure county.

Mr. MURPHY: There is the sum of $125 in the estimates for the maintenance of roads in the Restigouche reserve.

Mr. MARCIL: Is there anything for the Maria reserve?

Mr. MURPHY: No.

Mr. MARCIL: Does the minister imagine he will go very far with $125 on a reserve about ten miles square? I think the amount is much too small, and I hope the inspector who goes down there periodically will look into the matter and see if the amount cannot be increased. Apart from the Indians themselves thousands of people visit that reserve to see the shrine of Ste. Anne de Restigouche, which dates back to the middle of the eighteenth century, and it is not to the credit of the Indian department to have the roads and sidewalks in the condition in which they are at present. I hope the minister will see his way clear to improve matters. Then, I should like to ask this question: Is the same system being followed whereby teachers are paid to educate the Indians in these two reserves, or have changes been made lately?

Mr. MURPHY: Practically the same system is in existence to-day as has been operating for some time, namely day schools are provided on the reserves, and the teachers are paid from parliamentary appropriations. I should like to know if the hon. member referred to roads on the reserves which might be considered provincial highways, and used by white people and Indians, or whether he had reference more particularly to roads maintained in the interest of the Indians themselves. I make this distinction because the committee will readily understand that in the Indian reserves there are different types of roads. Since a policy of provincial highways has been inaugurated throughout the length and breadth of Canada many such highways pass through Indian reserves. When speaking of roads we must keep those provincial highways in mind as contrasted with the roads built in the reserves purely for the use of the Indians themselves.

Mr. MARCIL: The Perron boulevard which encircles the whole Gaspe peninsula passes through the township of Mann in which this reserve is situated. That road is in first class condition, and this year, owing to the celebration, Gaspe will be visited by thousands of people from all parts of the continent. The roads to which I have referred, however are those local roads which run through the reserves, following the Restigouche river. From the letter which I received I would judge they are in very bad condition. Of course, any person going to church in that section of the country must pass along the roads on the reserves.

Mr. BOUCHARD: While I have no desire to criticize the manner in which the department has carried on its administration, may I say to the minister that the tendency to educate the Indians in an attempt to bring them to our standard of living seems to me rather far fetched. Three centuries of the history of Canada have proved it is useless to try to make white people from Indians. Of course, I am not criticizing the minister in this connection, because I understand the educational system is carried on in close co-operation with the different religious denominations. I think however that after three centuries of experience we must come to the conclusion that it is useless to try to bring these people to our standards of living, and I doubt very much whether in those efforts we are improving the conditions under which the Indians live. Instead of doing that I think we should try to develop their natural tendencies and dispositions. For instance, the Indian people are highly artistic and have given to Canada an example of artistic work which cannot be surpassed. While I admit that some kind of education is needed I should like to see some change introduced whereby the system of education among the Indians would follow more closely their needs, requirements and disposition. For instance, why should we not help them to foster the development of those handicrafts in which they are past masters. I do not think those Indians who have been educated to our standard of civilization are very happy.

In passing may I say that there seems to be a tendency for the city people to educate the farmers according to city standards. Certainly I do not wish to create any ill feeling between city and country people, but I believe that different standards of teaching and of education should be set for the different modes of living. I should like the minister to give some thought and consideration to these views. Perhaps with his long experience and with his influence he might try to experiment along the lines I have suggested.

Mr. MURPHY: In a word, the hon. gentleman is questioning the administration of the education system of the department, and I have no quarrel with his observations. As he and other hon. members are aware the system of education among the Indians is not the result of a day's growth. Rather, the system now in vogue has developed through a great many years. My reading has taught me that the educational system started through the efforts of the different church denominations to Christianize the Indians. In their zeal those people sent missionaries who, I believe, found themselves handicapped in

their work. In order to help themselves they established schools, feeling that if they could gain the support of children when they were young, thereby getting them under their control, they would be in a position to Christianize those children and bring them to the white man's mode of living. Various churches put that system into effect. At a later point, finding the financial burden of education rather heavy, they applied to the dominion government for assistance. That assistance was given and throughout the years has been increasingly given.

The system education in effect to-day might be divided, broadly, into two classes, namely the residential and the day school systems. The churches prefer the residential school system. In those schools the child is taken in at a comparatively tender age, about six or seven years, and remains there until he or she has reached the age of sixteen or seventeen. During that time they are instructed in practically the same subjects as are the pupils in the white schools. The day school system is run very much on the same plan as the public school system of our provinces, and it is in existence on those reserves where such a plan can be put into effect. The committee will realize that on many reserves it is impracticable to have a day school system. The Indians in some cases occupy a large area of land and it would be impossible to get the children to school. On the other hand, the population of a residential school may be drawn, as it sometimes is from the whole provincial area. The hon. member has expressed the opinion that the system now in vogue is wrong in certain respects and that these people should be taught their native handicrafts. That is a debatable question. For instance, the handicrafts system is best known by the Indians themselves, and those best qualified to teach these handicrafts are the parents of these Indian children. In many reserves these handicrafts have been preserved and are to-day one of the main sources of income of the Indians. I need only mention the St. Regis Indians, who are proficient in basket weaving, and Indians on other reserves who are proficient in making snowshoes, Indian moccasins and so forth. I may say to the hon. member that I have given considerable thought to the question whether these handicrafts should be taught in our residential schools at the present time.

Mr. BOUCHARD: Fostered, not taught. I agree with the minister.

[Mr. Murphy.]

Mr. MURPHY: My hon. friend says that he agrees that these handicrafts should be fostered rather than taught. I was merely going to point out that if these handicrafts were to be taught in the schools it would impose upon us a financial burden which we are not able to bear at the present time because we have all we can do to maintain the present system. But as a matter of fact we are encouraging handicrafts among these people, and I agree with my hon. friend that we should in certain cases foster these handicrafts. We must, however, be careful not to generalize because while certain Indians are proficient in basket-weaving or the making of snowshoes, not all Indians are. They have their different abilities the same as the white people, and because one Indian is a basket-weaver it does not follow that every Indian is a basket-weaver. But in order to encourage this work we are making grants of a total of $7,500 this year for prizes at exhibitions for Indian handicrafts and agricultural produce.

Mr. MARCIL: Do those grants cover all the reserves or apply only to a certain area?

Mr. MURPHY: The grants are made to certain fairs and institutions.

Mr. BROWN: I presume on this item we can discuss everything that relates to the Indians because it is the only item in the estimates that I find referring to them. I would recall to the minister that last year the minister brought in a bill that was very much debated and very much amended, and finally passed, with reference to the compulsory enfranchisement of Indians. I think this would be an opportune time, if a report has not already been made in some form that I have missed, for the minister to report what has been done under the authority of that act.

Mr. MOTHERWELL: It is not near enough to election time to give a report.

Mr. BROWN: We should know what was done under that bill. While I am on my feet I wish to refer to a newspaper report in regard to a matter on which the minister probably has some information. It was reported that certain Indian youths of eighteen or nineteen at a place called Shubenacadie were subjected to treatment that, judged by the standards of British justice, would seem to be monstrous. It was alleged that certain youths were soundly thrashed in order to extort confessions of the theft of a small sum of money. I would like to know if the minister has had any report on the matter and can inform the committee what action

has been taken, because if the facts were as reported I have no hesitation in saying that those responsible should receive the utmost penalty the law provides. In dealing with the Indians we must not insist in treating them altogether according to our own standards. They must be treated with a good deal of consideration for the fact that their standards are not as high as we claim ours to be, and we should set them an example of humanity and justice rather than an example of extreme cruelty such as would seem to have been practised on these boys.

Mr. MURPHY: Answering the first question of the hon. member for Lisgar, in the fiscal year 1933-34 there were 44 enfranchisements of Indians under section 114, I think it is, of the act, but none were enfranchised under the section of the act that was amended last year.

With regard to the second portion of my hon. friend's remarks, the alleged flogging of Indians at Shubenacadie was brought to my attention both in newspaper reports and in reports which have been received in the department from the Indian agent for the district, and from the principal of the school. For the information of the hon. member and the committee I may say that a commission is being appointed under the Inquiries Act to make the fullest inquiry into and report upon all the circumstances surrounding the alleged flogging, and upon that report the action of the department and of the government will be based.

Mr. ELLIOTT: I was very glad to hear the minister say what he has said with regard to no compulsory enfranchisements having taken place under the act passed last year.

Mr. MURPHY: Not under that amended section.

Mr. ELLIOTT: But there have been 44 enfranchisements—

Mr. MURPHY: Under section 114, I think it is.

Mr. ELLIOTT: I hope that from time to time as the estimates of the department come before the house those of us who are fortunate enough to be here will receive a similarly satisfactory report from the minister that no compulsory enfranchisements have taken place under the amendment which caused so much discussion in this house last year. At that time I expressed myself, as did some others, as being very strongly opposed to that class of legislation, particularly as applying to these people. I am glad that the minister and the department have not found it necessary to resort to what I looked upon as a very harsh, very drastic and very unnecessary piece of legislation.

I see that the estimates here include relief, agricultural activities, roads, bridges, dyking, education and so forth. I would like some information in regard to these matters, and perhaps it would make the discussion a little less disconnected if I indicated the information I should like to receive: First of all, as to the amount expended on relief last year for the Indians throughout the dominion, and how that compares with the amount spent on relief in the previous two years; also the manner in which that relief was expended. I happen to come from a section of the country in which a number of Indian reserves are located containing I think as good a type of Indian as can be found on this continent. I hope the minister's experience during the stress of the last few years has been that the Indians have not required more in the way of relief than has been required by white people in many municipalities. I should like to know the manner in which relief is expended, whether upon roads, upon bridges or in what way. The amount given to the hon. member for Bonaventure (Mr. Marcil) as the expenditure on roads throughout the whole dominion seems to me to be very small.

Mr. MARCIL: The amount expended in the Restigouche reserve was $150.

Mr. ELLIOTT: I wonder if the hon. member understood the minister correctly.

Mr. MURPHY: That is estimated for the present fiscal year.

Mr. ELLIOTT: Could the minister give me the expenditures for the present fiscal year for the Muncey, Oneida and the Chippawa reserves? Could he also give us the amounts expended in previous years? The reserves to which I have referred contain many miles of roads and like most Indian reserves, they lie alongside rivers. Consequently the construction of highways and bridges is perhaps a little more difficult than on more level ground. Much industry has been expended by the Indians themselves in keeping up their own roads on the reserves and in some cases they have worked without pay. I think better results could be obtained from the money expended on relief by increasing the amounts for highway construction. A number of bridges are at present in such a condition as to be almost dangerous to the travelling public and I should like to know if there is to be a program of reconstruction of bridges on the reserves to which I have referred.

Mr. MURPHY: The aids to Indians are as follows:

1929-30	$711,523
1930-31	823,343
1931-32	988,340
1932-33	935,734
1933-34	854,935

I should explain that these aids to Indians do not mean relief only, they represent purchase of implements, purchase of seed grain, of garden seeds and potatoes and many other things. I am sorry I have not the items for relief by themselves but I may say that we have been able to keep our relief within reasonable bounds. Since I have had the honour of administering this department it has been my constant endeavour to inculcate in the minds of the Indians through the administration of the various officers that they should make every effort to make themselves self-supporting rather than to lean upon the state. I think we have been fairly successful in that connection. The hon. member desired to know the amounts in the estimates for certain reserves in Ontario. I find that the estimates for the Caradoc agency contain the sum of $500 for the improvement of main roads in the Muncey reserve, $250 for the improvement of main roads in the Oneida reserve and $250 for repairs to culverts over Turkey creek in the Oneida reserve. I might explain that in addition to parliamentary appropriations for the construction and maintenance of roads and bridges, this work is also carried on with expenditures from the band funds. For instance, on the Six Nations reserve we expect to make a considerable expenditure for the maintenance and improvement of the roads in that reserve and the money for this work will be obtained from the band funds, supplemented by a donation of forty per cent from the Ontario government.

Mr. ELLIOTT: I understand $7,500 is being granted for gratuities by way of agricultural prizes.

Mr. MURPHY: Prizes for agricultural and handicraft exhibits.

Mr. ELLIOTT: Would that include ploughing matches and that sort of thing?

Mr. MURPHY: Yes.

Mr. ELLIOTT: Does the department carry on competitions open to Indians only?

Mr. MURPHY: Prizes are given for Indian work and these prizes would go to Indians only. Both systems are carried on in connection with the ploughing matches. There are some matches in which Indians only compete while in others they compete with whites.

[Mr. Elliott.]

Mr. ELLIOTT: I think some of the best ploughing done in my part of the country is that done by Indians from the reserves to which I have referred. These Indians have been successful in taking a number of prizes in open competition with the white men in the community. In my opinion one of the best ways of encouraging proficiency in agriculture is to provide for a certain amount of money to be expended on prizes along the line of ploughing matches and that sort of thing where the competition is limited to those who are on the reserve.

Mr. MURPHY: I am informed of an item which may be of interest to the committee: at Vanderhoof in British Columbia the Indians carried off practically all the first prizes in open ploughing competitions, so I can readily understand the interest of the hon. member for West Middlesex in this matter. The Indian, if he sets his mind to it, can do in many lines of endeavour just as efficient work as can his white brother. I am well aware of that from my knowledge of Indians who inhabit a reserve in my constituency. I know in white settlements adjacent to that reserve, if the white people can employ Indian labour at harvest and haying times, they prefer them to any other class of labour they can get. That is of course a matter which gives us in the Indian department great encouragement, because we feel that these people are capable of being very proficient in different lines of endeavour.

Mr. MacLEAN: I should like to have some information from the minister regarding the Lennox Island reserve. As he is probably aware it is on a small island and a ferryboat has to be maintained there with a wharf on each side. I think the wharf on the mainland side is kept up by the federal Department of Public Works. I am not sure whether the minister's own department maintains the wharf on the island where the reserve is. I should like to know in what condition are the wharves, the ferry and the road?

Mr. MURPHY: We have in the estimates for this year the sum of $175 for repairs to roads, bridges, etcetera, generally for the reserves in Prince Edward Island.

Mr. RYERSON: Could the minister give to the committee the amount expended for relief on the Six Nations reserve during the past three years?

Mr. MURPHY: I am sorry I have not that information at hand but I would be glad to get it and give it to the hon. member.

Mr. HOWDEN: There are one or two matters I would like to put before the minister with regard to the Indians around lake Winnipeg. These fellows have a habit of wandering in to see me occasionally, I do not know why. There was a complaint made to me some time ago by the Indians on the Fisher River reserve that leases were given by the government, probably the provincial government, to fish on the Fisher river. Those fishermen occupied all the ground in the mouth of the river and after taking out their nets full of fish including a great many small ones, the latter were discarded and thrown dead back into the river or discarded generally. The Indians said that the fish discarded by these fishermen would feed the Indian tribe who were themselves more or less without food. I do not know how much truth there is in that, but I thought it worth while putting before the minister. The Indians complain that these fishermen discard enough fish to feed the tribe over the winter and it is deprived of the possibility of fishing for itself. That is the first item.

The other one is this—and I have mentioned a portion of it to the minister privately—in the lowlying land around the delta of lake Winnipeg, the mouth of the Red river as it empties into the lake, there is a very wide stretch of hay land, and between the town of Selkirk and the mouth of the river there are many settlers of foreign extraction, Ukrainians. They are petty farmers; all of them have herds of milch cows and raise a little bit of grain. Those hay lands are leased as far as possible according to the requirements of the farmers in that district, but the complaint is made that a number of men from the same establishment will put in applications for licences and instead of the hay being liberally divided among the various farmers of the district, it has all got into the hands of a very few. I do not for a moment suppose that the minister would have any knowledge of these matters, but there is without doubt an abuse of administration and they are worth while looking into. For that reason I put them before the minister just for what they are worth.

Mr. MURPHY: The hon. member has brought up a question which has not previously been directed to my attention, namely, the matter of fishing in lake Winnipeg at the mouth of the Fisher river. There is, I know, an Indian fishing station at that point utilized by the members of the Fisher River band and those who live on the Peguis reserve. Whether since the transfer of the natural resources to the provinces, the regulations in regard to fishing come under the jurisdiction of the provincial or the dominion government, I am not in a position to state, but I am rather of opinion that the regulations in regard to this fishing rest with the provincial rather than with the dominion government although I speak subject to correction on that point.

Mr. HOWDEN: If I may interrupt the minister on that point: if by any chance through an abuse of the regulations the Indians are being deprived of their winter food which very largely consists of frozen fish, I think the matter ought to be looked into by his department.

Mr. MURPHY: I was about to remark when the hon. gentleman interrupted me—and I do not object to the interruption—that I would be pleased to inquire fully into the matter and find out under which jurisdiction it rests; if it rests with the province I shall be glad to bring it and the remarks made by the hon. member to-day to their attention and endeavour to secure a satisfactory solution of the difficulty. I know the Indians depend to a great extent in many cases on fishing for food particularly in the winter time, and I know what this means to the Indians of that particular reserve.

In regard to the licensing or the granting of permission to cut hay on what is known as the old St. Peter's reserve, as the hon. member has stated, he did take the matter up with me privately some time ago, and I issued to the department instructions which I think will solve the difficulty, if there has been any. Those licences can be granted earlier in the season than has been the practice hitherto, or at least I know of no reason why they should not be. Apparently the hon. member thinks, if that is done, the difficulty will be overcome.

Mr. HOWDEN: Another point that I wish to draw to the minister's attention is that a number of applications will come from one establishment, so that the hay on the old St. Peter's reserve instead of being fairly well distributed amongst the Ukrainian settlers of that district practically all falls into the hands of two or three.

Mr. MURPHY: Those who have first claim upon this hay are, I believe, the Indians who own lands in the vicinity. After that permits are given to the various white settlers. I am informed that the division has been fairly equal among the white people. However, I shall be glad to make inquiry

and get a list of those who have received permits. The intention is that those hay lands would be used fairly amongst the white settlers in that district after the Indians have obtained their allotment.

Mr. McINTOSH: In item 176 there is provision for a grant of $100,000 approved by parliament in the session of 1926-27. Will the minister explain what that is and for what it is used?

Mr. MURPHY: This money is included in the estimates yearly, following an arrangement arrived at after the parliamentary committee had inquired into the matter in the session of 1926-27. I was not a member of the house at that time but I think I am correct in saying that this sum of money is paid to the Indians of British Columbia in lieu of treaty money. That is, certain Indians in other parts of Canada receive certain annuities, amounting to $234,000, which sum is provided by statute. In order to put the Indians of British Columbia on a fair footing with other Indians in Canada this special amount is provided by parliament from year to year. It is used for hospitalization, education and medical services.

Mr. McINTOSH: What consideration has been given, if any, to the building of roads or bridges in any of the Indian reserves in the constituency of North Battleford? There are quite a number of Indian reservations in that constituency, some very large, and I would like to know if anything is to be done in the way of giving the Indians on them better transportation facilities.

Mr. MURPHY: There is no amount provided in the estimates this year for roads or bridges on any of the reserves in Saskatchewan.

Mr. McINTOSH: I think the minister is acquainted with the fact that on many of the reserves in Saskatchewan, and I presume all reserves in western Canada, the fur catch is becoming less and less, and the money returns from this activity becoming smaller year by year. If the Indian is not making satisfactory progress in the cultivation of land and the rearing of cattle and such ways of making money, his standard of living must be going down. Can the minister throw any light on the results of education of the Indians on these reserves in that respect?

Mr. MURPHY: As the hon. member knows, the Indians in certain parts of Canada were granted certain rights in regard to hunting, fishing and trapping. In the western provinces prior to the transfer of the natural resources the dominion of course had complete control. When the natural resources were transferred to the western provinces a clause was inserted in the agreements providing that the Indians were to have the right to trap and hunt on unoccupied crown lands. The provinces, I believe, or some of them, claim that they have the right to grant leases to or licence individuals to run trap lines on these crown lands, and that having so leased or granted licences over these lands they are no longer unoccupied crown lands. That is a position with which we do not agree. But, as the hon. member will realize, it is a matter of considerable importance to the Indians. I am glad to tell the committee that the fur catch generally this last season has been very satisfactory, in fact better than for some years, and as the prices of fur were also higher, the Indians, or those at least who follow that mode of making a living, are in a better position than they have been for the preceding three or four years.

Mr. McINTOSH: I thank the minister for that answer. Even if the Indian is forbidden to go on crown lands to catch fur-bearing animals I believe that under the educational facilities on some reserves at any rate he is being trained and developed to be more capable of making his own living successfully. It may be that no matter what amount of education you give an Indian he still remains an Indian, but the idea is to develop the possibilities of manhood in him and make him able to adjust himself to his surroundings and thereby make him a better citizen and less dependent on the state. I think the education of our Indians on the reserves has that for its object, and I believe that as long as that object is kept in view we shall have at least fair success in educating the Indians.

But to proceed may I say that the Meadow Lake Indian reserve is located on the Meadow river over one hundred miles north of North Battleford. I think any one who knows that reserve will admit that the land there is as good land as there is outdoors in Canada. I understand that a few Indians occupy that reserve. On it now there is the town of Meadow Lake, with a population of about 1,500. The Canadian Pacific Railway has built from a point on the Prince Albert-Shellbrook line of the Canadian National into Meadow Lake. The Canadian Pacific now has connection from Prince Albert, and I might say North Battleford, into Meadow Lake. There was a move to see whether that Indian reserve can be bought from the

Indians in order that there may be settlement on it, and not simply a few families as at the present time. The idea would be to pay a fair price to the Indians, distribute the money among them and have them relocate farther north or in any other direction, on suitable land. Some representations must have been made to the minister with regard to this matter, which has been hanging fire for years, and I think there should be a report in the department. I should like to ask the minister whether any action has been taken or if any action is contemplated with regard to this very important matter.

Mr. BELL (Hamilton): Would the hon. gentleman tell us roughly how many settlers might be expected to avail themselves of that opportunity?

Mr. McINTOSH: I could not say exactly but I should think there would be a considerable number of settlers. There are only a few Indians located on that land, and my idea was that the Indians could be fairly dealt with by having that land purchased and the money distributed among them. It would be a great help to the progressive Meadow Lake settlement, which has taken on new life in the last few years, since the railway went in and settlers from the south have gone north.

Mr. GUTHRIE: Approximately how large is the reserve?

Mr. McINTOSH: I do not know exactly but I should think the minister could give us that information.

Mr. MURPHY: I have not the exact figures before me, but the reserve is of considerable size, comprising several thousand acres. I may say that this matter was brought to my attention on the last occasion about two years ago, I think, when representations similar to those made by my hon. friend were submitted to me by correspondence. The position is very simple, in one sense of the word. The Indians own these lands; they belong not to the white people but to the Indians, and the department is unable either to lease or sell any Indian lands in the Dominion of Canada until a surrender is obtained from the Indians themselves stating the terms and conditions upon which the land may be leased or sold.

Mr. McINTOSH: Might I ask the minister if the whole proposal could be halted by one Indian who refused to sign?

Mr. MURPHY: I have not the Indian Act before me and I cannot quote the section, but I think I am correct in stating that the surrender is based upon the majority vote; that is, if a majority of the male members of the band over twenty-one years of age vote in favour of a surrender such surrender is made. Then, of course, the department is in a position to make whatever deal may be considered most advantageous under the circumstances. I may say that the Indians on this particular reserve to date have not been willing to surrender their lands, and in consequence nothing can be done in regard to the matter.

Mr. McINTOSH: I understand the position of the minister and the department. I was under the impression, however, and the minister can correct me if I am wrong, that some few years ago practically every Indian was willing to sign, with I think only one exception. I do not know whether the matter actually came to a vote.

Mr. MURPHY: Of course I speak subject to correction, but to the best of my knowledge no vote was ever taken. There are certain very definite rules and regulations in regard to how the vote shall be taken, and to the best of my knowledge no vote was taken. Individuals may have expressed themselves as being favourable to the surrender of the lands for lease or sale, but when it came to the question of voting they might vote differently. I think we have all had a little experience along that line during our canvasses; certain individuals have told us they were for us, but when we saw the results at that poll later we found that they did not come up to our expectations. Perhaps the same thing might happen in this case.

I would point out further that in the course of his remarks the hon. member suggested that these Indians might be moved further north. There is no land further north in the province which is within the gift of the dominion government. Since the transfer of the natural resources all such land is under the control of the provincial government and we have nothing to do with it.

Mr. McINTOSH: Of course the government could buy land further north or in any other direction if they saw fit to do so.

Mr. NEILL: The minister is correct in stating that the majority prevails, and that brings to mind a grievance which has been brought to my attention from time to time and which I should like to discuss on behalf of the Indians. I am dealing with British Columbia only, because I am familiar with conditions in that province.

The department recognizes the Indians as their responsibility and takes care of them in the matter of relief. The Indian knows that no matter what happens, even though he may have nothing at all, if he becomes destitute or ill the department will take care of him. Here is the situation that arises at times, however. A railway wants to buy a piece of land from the Indians for a right of way, or perhaps the land is needed for a factory site or a sawmill site. In any case a body of white men want to buy a piece of the Indian reserve, and under the law the consent of the Indians must be obtained in the way indicated by the minister. I think of recent years, though it was not so when I was first an Indian agent, the rule has been that if the land is sold for a given sum half that sum can be distributed in cash to the band while the other half is put into a fund allotted to that particular band and no other, it being argued quite properly that they have alienated a piece of their communal holdings. So they get half the cash and the other half goes into a fund. That is explained to the Indian, and he is told also that there will be interest accruing on that amount. Too often the idea is held out to him that if he wants to use that money to put up a community hall or do fencing or something like that he may get the interest on the money or sometimes the capital itself. This is what happens very often, however; perhaps interest accumulates for a year or two and then a cash payment is made to the head of each family. Two or three years later they apply for another payment, but they are told there is no more interest money. They ask what has become of it, if the Indian agent has stolen it, because that is usually their first reaction. The agent tells them that he has taken that interest and used it to pay for the relief bills of the band.

From the point of view of the department there is some plausibility to that argument; they say this is the Indian fund and the interest should be used for the relief of the band. The Indian says—and this is very logical—the next time you go to him and ask him to consent to the alienation of a piece of his land, "What shall it profit me; why should I oblige the white man? I only received the small cash payment and did not get the rest of the money." The Indian decides that the department will take half the money and use the interest to pay the ordinary relief bills of the band, which the department would pay in any case, and the Indian has enough intelligence and understanding to see that point. The band on the next reserve, who do not sell their land, are cared for in exactly the same way as the band who alienate part of their land, but in the one case the department pays for the relief while in the other case the relief comes out of the funds of the Indians themselves. As a result the next time we want the Indians to part with their land they are extremely unwilling to do so, and very often it is very important from a public point of view that Indian land should be acquired.

I do think faith should be kept with the Indians. If the department say the money is to go into a fund for the band, that fund should be kept subject only to the control of the band. You would not think of selling a piece of the reserve in order to pay the storekeeper's relief bills, but this fund takes the place of the piece of land that has been sold, and it should be regarded not as a fund for relief but as a part of the reserves of the Indians. Any interest accruing on it should go to the Indians at the absolute discretion of the band. That has been a sore point with the Indians ever since I have had anything to do with them, which covers a period of more than thirty years, and as the encroachment—I do not mean that in an improper sense—of the white man upon their lands becomes greater it becomes more and more necessary to alienate parts of these reserves. You have that increasing trouble because the Indian thinks he is not getting a square deal. You have taken his money from him, and you do not give it back. I think the minister understands the point.

Mr. MURPHY: Yes, I believe I have a fair knowledge of the matter about which the hon. member has spoken, and I may say there have been certain difficulties in connection with it. When the land or Indian property is surrendered for sale an amount—I think it is up to one-half—may be used for distribution pro rata among the members of the band. Sometimes half the amount will be given, and at other times the Indians themselves will, in the surrender, specify the amount to be distributed.

Mr. NEILL: Not exceeding one-half.

Mr. MURPHY: Yes, not exceeding one-half. We will say that they do not think it would be in their interests to take one-half, when they surrender on the condition that a certain amount shall be distributed among different members of the band. The hon. member has said that the amount of money left is placed in a certain fund to the credit of that particular band. In that statement he is correct. The money is placed to the

credit of the band, and on it the dominion government allows five per cent interest. The fund thereby accumulates, if the increment is not used for relief, for the building of council halls or for other Indian purposes. Sometimes, not very often, a distribution from that fund is made. The hon. member has said that that is not a fair treatment and that the funds and the interest should not be used for purposes of relief. That is an open question, and one in connection with which different opinions might be held. I would point out that the Indians in one reserve, namely the Blackfoot in southern Alberta, are practically self supporting, that is to say, no demands are made on the department for relief. Through their own efforts they are able to provide a living for themselves, and in addition they pay their own hospitalization services. The only money spent on that reserve from parliamentary appropriations is for the upkeep of the schools. The funds of the band are used for all other purposes.

Mr. NEILL: That is an exception.

Mr. MURPHY: As the hon. member has said, it is an exception. To some extent however it is true with other reserves and other bands in Canada where band funds are held. These interest funds are used for the benefit of the Indians. I have stated to the committee and to the house on many occasions my belief is that the Indian should be in a position to stand on his own feet and through his own efforts provide for himself. That is the policy which has guided me in the administration of the Indian Department. I do not believe that it is good either for the Indian or for the white man to have the feeling that whether he works or not, or whether he has funds or not, he may throw himself upon the state and that in any event the state is bound to look after him. I realize that a responsibility rests upon the Indian department to look after the Indians and, when they are unable to do it for themselves, to provide them with the necessities of life. At the same time I reiterate that not only should he be encouraged but he should be directed and led along the lines of self reliance. I am not certain whether the hon. member has argued that these funds should not be used for the purposes of building a council hall or for relief purposes. In some instances the bands hold funds running up to hundreds of thousands of dollars. The Blackfoot Indians of southern Alberta have a fund amounting to considerably more than a million dollars. It could hardly be argued that a band with such valuable assets should be kept on relief from parliamentary appropriations.

Mr. NEILL: Mr. Chairman, at the beginning of my remarks I said I was referring to the province of British Columbia where band funds run to only a few hundreds, or at the outside perhaps a couple of thousand dollars. The minister has said that he believes the Indians should be taught to stand on their own feet. No one can possibly gainsay that statement; it is a truism. I suppose his statement applies to standing on their own feet financially and socially; I think it should also apply to standing on their own feet morally. And how can you teach them to do that when you break faith with them? There is no question at all that the bargain is made with these Indians that they shall have half the money in cash, if they wish it, and that the other half will be put into a fund under their control. You break faith in doing anything else. The minister has asked what I want, and he has asked whether or not I want relief to be paid out of their interest money. I do not care what they do with their interest money, provided the consent of the band is obtained. The money in the fund is the property of the Indians, just as the land was their property, and you should no more take away that money—because the land is represented by money—than you should take away the land.

The treaty made with the Indians has from time immemorial recognized that we must provide the Indian with relief when he needs it. We know that. We have two bands placed side by side, one of which has not sold any of its land or its reserve, and they get relief when they require it. We cannot get away from that fact; that is in the treaty. But the band a few miles away have been induced by the arguments of the Indian agent to part with their heritage, their land, and a substitution is made of so much cash in the bank. Then the department comes along and although they could not alienate the land without the consent of the band they alienate the interest money and use it to pay bills which otherwise they would have had to pay, anyway. Is that fair? Certainly, spend it on a community hall or for relief, if you like, but only if you can get the vote of the band to that procedure. But I say the money belongs to them, just as the land did. The money represents a piece of their land. Then the department comes along—they would not dare do it if a white man was concerned because in that event they would be taken before the courts—and they say, "We will take this money, which is yours,

and we will alienate it, and pay our relief bills with it." That is not fair or reasonable. In years to come when, in a hurry, you want a release from an Indian band you will have trouble in getting it. That is the point. Get the consent of the Indians to alienate their money, if you can—I know you cannot—but do not take it from them simply, I was going to say, by force of arms, actually by departmental regulations.

Mr. NICHOLSON: Is there any difference in principle between the use of the interest on the money to the credit of the Indians and the use of the natural resources which the Indian has not alienated? I am going to ask the minister whether it is not a fact that timber on the lands of some of the unceded bands in northern Ontario is being used now by the Indians to provide themselves with relief. The timber standing on the land is the property of the Indian, and as I understand it it is being used by the Indians—and I am speaking subject to correction—and sold for the purpose of providing means for relief or living through these difficult periods. Am I right or wrong; I should like to be clear on the point?

Mr. MURPHY: The hon. member is quite correct. In some instances Indians are surrendering their timber for sale, and from the proceeds they gain a livelihood. In other cases the Indians themselves cut their own timber and utilize the proceeds from the sales for their living.

Mr. HOWDEN: I think it is to be hoped that the department will not for some time, lightly undertake the release of any further Indian lands in this country. I have lived in western Canada for over fifty years, and if my information is correct the Indian has always got very decidedly the worst of the deal. Some considerable number of years ago the surrender of the St. Peters Indian reserve was obtained from the Indians for a certain consideration in cash—I do not know the exact terms of the contract—but the Indians were relieved of a fairly good piece of agricultural land and were moved away from lake Winnipeg to a place among the rocks and muskeg where there is no timber and very little land of value, and there to-day they are starving. They are the most scrofulous, the most tubercular people I have even seen in my life. They have very little means of making a living except by fishing in the summer, and when the water freezes in the winter they have a very blue look-out for a living. That St. Peters reserve got into the hands of a few speculators. The Indians were moved off and the speculators failed to make anything of the land, and a great deal of it is lying idle to this day. Since then the Indians have been seeking to come back to this land but they have never been permitted to do so, although there are very few settlers on it. So it is with some reason that I say it is to he hoped that the Department of the Interior will hesitate before they seek the release of any more Indian lands.

Mr. MURPHY: Not the Department of the Interior, the Department of Indian Affairs.

Mr. HOWDEN: Well, the Department of Indian Affairs.

Mr. McINTOSH: Following the remarks of my hon. friend from St. Boniface, so far as the selling of any portion of the Meadow Lake Indian reserve is concerned, if through force of circumstances, the encroachment of population or the development of the district, something must be done, then I would say that the department should be the major factor in any change that is made with respect to this land. Surely the Indian department should be able to guarantee an absolutely fair deal for the Indians. If it could not, what department of the government could?

May I say that in any suggestion I have made with regard to moving Indians north, south, west or east, my underlying thought was always that the Indians would be paid every cent that was coming to them for their land, that the Indian Act would be abided by and a vote of the band taken, and that in every case, if anything were done, the Indians should be dealt with fairly and in their own interests. Might I ask the minister, if it is the case that a vote must be taken before any part of a reserve is given over for any other purpose than that of an Indian reserve, how did it happen that the Canadian Pacific Railway got control or purchased thirty or forty acres of the Meadow Lake Indian reserve and built a station upon that land and constructed a right of way through it, together with yard facilities upon a certain amount of it? Did they buy that land from the Indian department? Were the Indians satisfied to sell it, or does a deal of that kind come under what we might term, in railway language, the right of eminent domain?

Mr. MURPHY: My answer to the hon. gentleman some time ago in regard to the surrender of the lands in the Meadow Lake reserve, that the department was not in a position to deal with these lands until they had been surrendered by the Indians them-

selves, I should have qualified by saying that under certain conditions, when it is in the public interest, expropriation proceedings may be taken. Whether the Indians surrendered their land that it might be sold to the Canadian Pacific Railway, I do not know; but I rather think that those lands were expropriated, as can legally be done under the Railway Act.

Mr. MUNN: I understand that the Indians of the Squamish reserve, North Vancouver, during the fiscal year 1932-33 were allowed several thousand dollars from their fund for agricultural development. Would the minister explain how that was handled and if it has been a success?

Mr. MURPHY: The money has not all been expended as yet. We are carrying on certain agricultural experiments on that reserve, and we are moving slowly in the matter. I have read certain reports from the agent and the inspector that appreciable progress is being made on that reserve in agricultural pursuits.

Answering the hon. member for St. Boniface, I am in general agreement with the remarks which he made in regard to the alienation or sale of Indian reserves. We have in Canada now an Indian population of approximately 115,000, and in some of the provinces the Indians are being so cribbed, cabined and confined in very small areas that it is difficult indeed for them to make a living. I wish to assure the hon. member that before the department considers the sale of any Indian reserve or any portion thereof in the Dominion of Canada the question will be most minutely inquired into, as we are fully seized of the importance of retaining these reserves for the use of the Indians.

Mr. HOWDEN: As the charge has been directly made that the Indians have never been paid for the St. Peters reserve, that they have been paid only a minute fraction of the consideration involved in the undertaking—I have never inquired into the details—I think now is a good time for the minister to make a statement on the matter.

Mr. MURPHY: I have not the figures before me but I can say that the report which the hon. member has received is untrue. I shall be very glad to get, and to give to the hon. member, a full statement of the financial consideration and of the financial adjustments that have been made since the sale of that reserve.

Mr. NICHOLSON: I would like to say a word to the minister on a subject I raised last year when the Indian estimates were up. What progress, if any, is being made in the negotiations which I understand have been entered into by the Indian department, with the provinces of Ontario and Quebec particularly, in relation to setting apart that portion of Ontario and Quebec north of the height of land for the use of the Indians in the taking of fur-bearing animals and game birds for profit? These Indians are the natives of that area and they should have the exclusive use of the country, otherwise they will soon become wards of the government in the sense that they will have to be maintained all the time by the government. The quantity of furs which can be taken out of that area by the native Indians, who were there before we were, would enable them to make a living and preserve the game life of the country at the same time. If that part of the country is going to continue to be overrun by the class of white trapper now trapping that country, the game life will be soon extinguished and the Indians forced to depend upon the state entirely. There are no other means by which they can make a living.

Mr. MUNN: They could have farm lands.

Mr. NICHOLSON: There are no farm lands north of the height of land.

Mr. SPROULE: What amount is being set aside for roads in the Stony Point and Kettle reserves?

Mr. MURPHY: There is an amount of $695 for improvement of roads, $300 for repairs to bridges and culverts and $300 for maintenance of drainage systems in the Kettle and Stony Point reserves, Lambton county.

Item agreed to.

Progress reported.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

SUPPLY

DEPARTMENT OF IMMIGRATION AND COLONIZATION

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

Immigration and colonization—immigration salaries and contingencies, $1,239,288.

Mr. VENIOT: There is some information I should like to get from the minister. The case is that of the son of a man who came

to this country years ago and was naturalized, the son also being naturalized. The son went to France and married there. He has attempted to return to Canada and apparently some difficulty has arisen. If the minister cannot give an explanation in detail to-night, perhaps I might have an appointment with some official of the department who would give me the information. But, roughly, could the minister explain what steps have to be taken in order that that young man may return with his wife to his parents? The father is a large property holder in New Brunswick and is prepared to put up any bond to any extent that the department may require.

Hon. W. A. GORDON (Minister of Immigration and Colonization): I think the case need present no difficulty whatever. If the hon. member cares to take it up with the deputy minister, I am sure there will be no trouble about it.

Mr. VENIOT: Thank you very much.

Mr. CASGRAIN: In this item how much is for salaries and how much for contingencies?

Mr. GORDON: The appropriation is divided between salaries, $191,484 and contingencies, $16,000.

Mr. CASGRAIN: I am glad to see the minister back in the chamber in good health and able to give us the information. He has been ill for some time and I am sure all hon. members are pleased to see him back in good health and able to attend to his duties. In the city of Quebec what amount is spent each year for the administration of the immigration office and the staff there?

Mr. GORDON: I regret that I cannot give the figures for any one port of entry because they are not made up in a way that would give the information asked for, but I shall be glad to get it for the hon. member.

Mr. CASGRAIN: How many immigration offices are there in the various ports of the dominion?

Mr. GORDON: Ports of entry are established on both the Atlantic and Pacific coasts as well as along the United States-Canada boundary. The ports on the Atlantic coast are Halifax, Saint John and Quebec. Montreal is, of course, a port of entry but it is treated as an inland port.

Mr. CASGRAIN: Are there any special officials and what are their functions at the various places?

[Mr. Veniot.]

Mr. GORDON: At each port of entry an inspector is in charge whose duty it is to examine the ships arriving and to check up those who seek legal landing under the act, to see that they comply with the regulations. Those are broadly and generally the duties of the officers at ocean ports, so far as incoming migrants are concerned. There are other duties with respect to those who are being returned to their country of origin. So far as the latter are concerned the matter is different because they have to be taken charge of and turned over to the transportation company that brought them to Canada.

Mr. CASGRAIN: In Montreal there used to be at one time a Mr. Moquin and a Mr. Regimbal in charge of the immigration office. Have they been removed? Who has replaced them? When did this change take place? They used to sit as a board of inquiry.

Mr. GORDON: Mr. Regimbal I am informed was superannuated some years ago; Mr. Moquin was also superannuated. The present inspector is Mr. Langlais.

Mr. CASGRAIN: Is he the only official in charge or are there other officials connected with the department?

Mr. GORDON: He has a staff of officials.

Mr. CASGRAIN: What is the staff in Montreal?

Mr. GORDON: I may not have the names of the staff there, but I can supply the hon. member with the information later.

Mr. CASGRAIN: Are these officials appointed by the civil service commission or by direction of the minister only?

Mr. GORDON: The civil service commission in all cases.

Mr. CASGRAIN: Who is in charge at Quebec city?

Mr. GORDON: Mr. Cormier is inspector in charge, but I have not the names of his staff.

Mr. CASGRAIN: The minister said he was not in a position to give details of the various costs for all these ports. He said the salaries amounted to $191,484 and the contingencies to $16,000. There is a diminution in this vote of $177,712, but the sum we are called upon to vote is $1,239,288. Is that amount all expended in Canada, and for what purposes besides salaries and contingencies? There seems to be a discrepancy somewhere.

Mr. GORDON: The figures I gave a moment ago were a division of the civil gov-

ernment vote. I shall have to give at considerable length perhaps the figures indicating the division of this vote.

Mr. CASGRAIN: I am sorry, but I think the house and the country should have an explanation of the difference between the salaries and that large total.

Mr. GORDON: For the purposes of the department there are three divisions: the eastern, the western, and the Pacific division. The vote is distributed as follows:

	Eastern	Western	Pacific
Permanent salaries..	$466,604	$129,420	$80,610
Temporary salaries..	32,274	20,268	7,569
Part time salaries..	13,325	4,401	6,548

Then listed under other locations, some of which are in Canada and some outside, are: permanent, $99,178; temporary, $29,391. I have not a separation of the contingencies by divisions, but the total of contingencies is $349,700, thus making the grand total indicated in the vote.

Mr. CASGRAIN: Are the temporary and part time employees also subject to the test of the civil service commission.

Mr. GORDON: The employees of the department are all subject to the civil service commission.

Mr. CASGRAIN: For contingencies $349,700 is a large sum. Can the minister tell what they are, and how much is spent outside of Canada?

Mr. GORDON: The amount is divided as follows:

Boundary inspection (between United States and Canada)	$ 73,000
Inland agencies	33,000
Seaport agencies	28,000
Chinese Immigration Act	9,000
Deportation	135,000
Women's division	1,000
British immigrant children	3,700
Head office	6,000
Publicity	7,000
Great Britain and Ireland (where we still maintain offices)	35,000
Continent (inspection offices)	19,000
	$ 349,700

The publicity is mainly in connection with colonization at home.

Mr. CASGRAIN: What is meant by inland supervision? You have boundary inspection, and inland and seaport supervision.

Mr. GORDON: We have agencies at Winnipeg, Hamilton, Toronto, Calgary and various other inland cities where agents of the immigration department are resident.

Mr. CASGRAIN: But we were told a few moments ago that the services of the department are divided into three sections, east, west and Pacific coast, and we were given the figures in each case. In the east it cost $466,604 for permanent employees, $32,274 for temporary employees and $13,325 for part time employees. In the west the figures were $129,000, $20,268 and $4,401, while on the Pacific coast they were $80,610, $7,569 and $6,548. We pay large salaries to the employees in the various divisions mentioned by the minister, and I am surprised to learn that in addition the department has to provide such huge sums as $33,000 for the inland agencies, $28,000 for the seaport agencies and $73,000 for the work on the boundary, as well as the other items mentioned. I submit that the minister should give us more details as to how these contingencies are arrived at, and whether they could not be curtailed. We are told that the government has practically stopped immigration, that we do not want people from foreign lands to come to Canada, but there is a reduction of only $177,712 in this item; we are still called upon to vote the huge sum of $1,239,288. If we have stopped immigration, as the government say we have, why do we have to spend this large sum of the people's money? I should like the minister to answer that question.

Mr. GORDON: The decrease in the vote as compared with last year is $183,712. From the immigration figures of a few years ago it will be seen that in the last five years the total vote has been decreased by probably fifty per cent. It is quite true that immigration such as was invited and encouraged in the years prior to 1930-31 has diminished very materially. Whether or not it has been the part of wisdom to invoke those restrictions to the extent deemed necessary by the government is, of course, a matter of argument; everyone is entitled to his own opinion. But bear in mind that in the immigration department files containing the history of every landed migrant are kept for the purposes of determining his right to stay during his probationary period.

Mr. McINTOSH: How far do these files go back into history?

Mr. GORDON: They have been kept since the department was set up. I think that would be shortly after confederation, at which time it was a branch of the agriculture department. Following that it was a branch of the interior department and finally was set up by itself as the immigration department.

These files cover the migrants who have legally landed, and they are very necessary to-day, as hon. members of the chamber well know, because I doubt if there is a member who has not at some time or other seen me with respect to relatives of or those closely associated with people legally landed in Canada with a view either to returning them to the land of their nativity or allowing their near relatives to come to Canada—

Mr. LAPOINTE: I have not.

Mr. GORDON: There are some exceptions; the hon. member for Quebec East says he has not done so, but I think he is almost alone in that regard. It is necessary that we have these facts, because in Canada we have a very complex population and these files are of great assistance in determining whether or not and to what extent their relatives or friends in the old land or in other countries can be admitted. So it is very necessary that these files be preserved for use when investigations are made to determine whether or not the government or the department would be justified in following a course looking to the uniting of families or the admission of friends, and matters of that kind.

It may seem that since there is practically no immigration there is no work, but I would leave it to the judgment of the ex-Minister of Immigration, the hon. member for West Edmonton, whether or not the department does not provide ample opportunity for the activity of the minister and the officials who are taking care of this situation as best they can. The figures will disclose a great shrinkage in expenditure over the last few years, and each month there is a further decrease where decreases can be brought about and where departmental officials can be adjusted so that their activities will be put to good service. When vacancies occur it will be noted from the report that has been tabled that they are not filled except in very special cases.

Mr. CASGRAIN: I submit that the minister has not given satisfactory answers to the questions I asked. He has told the committee how the department is managed and operated, but his main topic was the way the files are kept, dating back almost to confederation. I submit that it costs the country a lot of money to keep those files. Especially is that the case since immigration has decreased so greatly in the last few years under the policies put into effect by this government. I do not think the minister has satisfactorily explained why, in addition to the salaries, we should spend $73,000 for contingencies on the boundary and $33,000, for contingencies of the inland agencies as well as the other items the minister mentioned. The minister says the files are well kept. I have no doubt that is so; there are very competent officials in that department. There is one official in front of the minister at the present time for whom I have only praise; he is one of the best officials in the department. But it seems to me that the salaries we are paying should be sufficient to cover the cost of looking after the immigrants who may want to come here, and I am surprised that we should be asked to vote $349,000 for contingencies when we have no immigrants. These contingencies are surely not to keep the files, because the files are in the departments of the various officers of the government. It does not require hundreds of thousands of dollars to keep files. Surely the committee is not satisfied with the explanation given by the minister. He cannot make the country believe that it costs so much to run the department when, in fact, every expenditure has been cut down to the bone; when we are curtailing agricultural credits and credits to various services of the government; when we are trying to make the people believe that in order to have a balanced budget we are economizing everywhere. At a time when we are not advocating immigration and are not urging people to come to this country surely these expenditures could be curtailed to a greater extent.

Mr. DONNELLY: Does the vote include medical inspection of immigrants?

Mr. GORDON: I assume the hon. member has in mind the medical inspection overseas of intended migrants.

Mr. DONNELLY: Yes.

Mr. GORDON: And at ocean ports. That does not come under this vote, but is dealt with by the Department of National Health.

Mr. DONNELLY: It is not under the Department of Immigration at all?

Mr. GORDON: No.

Mr. REID: There are two small matters I should like to bring to the attention of the minister; the first being in regard to the employment of immigration officers during the busy season. At the moment I am not going into the question of salaries, but I must say a complaint has been made to me that in the last two years the services of seasonal men have been cut down, and that men who are employed the whole year through are getting

considerable overtime, thereby cutting out seasonal employment. Looking through the records I find that in some instances the overtime runs as high as $450 or $500. In my view that is a considerable amount of money to be received for overtime, especially in these days when so many men are out of employment. I think consideration should be given to those men who are engaged during the busy season, and that if possible they should be given an opportunity to assist during the busy seasons at the ports of entry.

While I am on my feet I should like to voice another complaint which has been made, namely that the Canadian Pacific Railway have been bringing engineers from the old country to fill positions on their steamships on the Pacific coast. Last year they brought in six engineers from the old country and placed them on the ships on the Pacific. The complaint is made that in these times of unemployment no men should be brought from the old country; it is not fair to allow men to be brought in to fill these positions, when plenty of competent engineers are idle on the Pacific coast. I have affidavits under my hand from at least six competent engineers who were formerly employed on Canadian National ships, and who for the last one and a half or two years have been idle. They feel aggrieved, and rightly so, that a company like the Canadian Pacific Railway Company should bring men from ships travelling between Great Britain and Atlantic ports and place them on the Pacific coast, at a time when employment is so scarce here.

I know that what is done in the United States can have little bearing on this country, but one superintendent who two years ago was in charge of the Canadian National docks in Vancouver who was ordered to go to the United States and take charge of Canadian National property in Seattle where we have property valued at at least $1,000,000. After being in that city for two weeks he was ordered out of the country because he had no permit and was told not to come back. I believe some explanation should be given as to why engineers were allowed into the country when there are plenty of engineers on the Pacific coast competent to fill the positions.

Mr. GORDON: The question raised by the hon. member has been given a good deal of consideration. The point arises as to whether or not persons working in international waters should be accorded privileges, if we may call them such, and whether or not the engineers on the coastal steamers are qualified to carry on under the laws which have relation to the operation of those steamers. I recall that at one time representations were made to the department with respect to some engineers on the Pacific coast. The information I was able to gather with respect to this group—whether it is the group the hon. member has in mind I am not prepared to say—was to the effect that they were unable to qualify for service on the steamers upon which they sought employment. If my recollection serves me correctly, opportunity was given to these men to take out the necessary certificates in order to qualify and some difficulty arose in connection with adopting that course. However the matter is still under consideration and investigation in the hope that any real grievance may be removed.

With respect to part time employees may I say I believe it will be found that across Canada there are very few employees receiving overtime pay. Unquestionably in some cases an employee will work a day or two longer than his usual hours of employment, and receive some remuneration for such overtime. But generally speaking, and in so far as humanly possible, overtime has been eliminated. I shall consider, however, the representations made by the hon. member in order that as many temporary employees may receive work as is consistent with efficiency.

Mr. McINTOSH: I am pleased to see the minister back in the house again, and may I express the hope that with renewed health and energy he may continue his work to the end of the term. I have a question or two I should like to ask. It is generally admitted that immigration into western Canada has been curtailed seriously during the last four years. Having that fact in mind may I ask the minister how many ports of entry there are from the United States into the three western provinces.

Mr. GORDON: There are about thirty ports.

Mr. McINTOSH: Does the minister mean that there are that many ports along the international boundary stretching from Ontario to British Columbia?

Mr. GORDON: In the western division, yes.

Mr. McINTOSH: How does that number compare with the number in 1930, for instance?

Mr. GORDON: No material change.

Mr. McINTOSH: There would be an inspector at each of these ports of entry, I presume, and just what other staff?

Mr. GORDON: It sometimes happens that the immigration and customs services can be combined at different ports, each department bearing a portion of the charge. Perhaps the following information will be sufficient for the hon. gentleman, although I can give the names of the officers as well if desired. We have in Manitoba an inspector at Bannerman; one at Winnipeg, with a considerable staff; a part time inspector at Cartwright, Crystal City, Goodlands, Haskett, Lena, Coulter, Piney, Snowflake, Windygates. Then in Saskatchewan we have a part time inspector at Northgate, Big Beaver, Big Muddy, Carievale and Climax. A number of others, such as North Portal, Coutts and Emerson, make up the total for the western ports that I have mentioned.

Mr. DONNELLY: Are these part time inspectors customs officers as well as immigration inspectors?

Mr. GORDON: I think in nearly every case those mentioned are customs officers as well.

Mr. CASGRAIN: Do they get two salaries or only one?

Mr. GORDON: They have a very difficult time getting one salary.

Mr. McINTOSH: They have these two services to perform, and as I understand the minister's statement the customs work is the heavier. These staffs are required because of the dual duties they are performing. Do I understand that to be the real reason?

Mr. GORDON: That is a reason in a sense, but let me put it this way. Wherever by reason of the amount of work to be done and by reason of the customs work and immigration work dovetailing into each other it is possible to unite the two services in one official, we have tried to do that across Canada for the obvious reason of saving expenses.

Mr. McINTOSH: What has been the difference approximately in the expenditure at these ports in the last few years?

Mr. GORDON: Perhaps the picture can best be shown by giving the total expenditures for the last few years:

Fiscal year—	Total appropriation
1928-29	$2,943,391 66
1929-30	3,084,278 13
1930-31	2,578,251 90
1931-32	2,190,751 80
1932-33	1,681,153 71
1933-34	1,435,842 00

It will be seen that since the fiscal year 1928-29 the total appropriation has been reduced by more than fifty per cent.

[Mr. McIntosh.]

Mr. CASGRAIN: Are there any agencies still maintained in the United States and other parts of the world looking after immigration to Canada? If so, where are they located, who is in charge of the different offices, and what are the salaries paid

Mr. GORDON: In 1930 the government of the day had about fifteen agencies in the United States spread from coast to coast, and a number of agencies on the continent of Europe and in the British Isles. It was thought desirable to close the agencies in the United States, and they have all been closed. It was also thought desirable to close the offices on the continent of Europe, and they have all been closed with the exception of the offices maintained for the purpose of civil and medical inspection of those who have a legal right to enter Canada. We have three offices on the continent, at Paris, Antwerp and Hamburg. Certain curtailments have taken place with respect to the offices in the British Isles. We have offices at London, Liverpool, Glasgow, Bristol, Inverness, York and at Belfast, but the staffs in all these offices have been very materially reduced. It was not thought desirable that these offices should be closed because certain valuable contacts were made in the United Kingdom during the course of immigration activities. We get so many very highly desirable people from the British Isles that it was thought desirable to maintain these offices, although they are being maintained with greatly reduced staffs. There is also an office at Hong Kong through which are passed all people from the orient who have a right to come to Canada.

Mr. CASGRAIN: Could the minister tell us who is in charge of the offices at Paris, Antwerp and Hamburg?

Mr. GORDON: Mr. Belanger at Paris, Mr. Mitchell at Antwerp and Mr. Chapdelaine at Hamburg.

Mr. CASGRAIN: Are there any other officials?

Mr. GORDON: There may be a stenographer, but I do not know.

Mr. CASGRAIN: Has the minister any idea how much these offices cost at Hamburg, Antwerp, Paris, the British Isles and in the orient? The minister mentioned salaries paid in Canada as well as contingencies, but I do not think he gave particulars of the salaries or expenditures in connection with the offices outside of Canada.

Mr. GORDON: I have not the figures before me showing the actual expenditure for each office.

Mr. CASGRAIN: I should like to have that information.

Mr. GORDON: I shall get it for my hon. friend.

Mr. McINTOSH: I think the department is quite right in maintaining a certain number of immigration agencies throughout the British Empire. We can maintain empire contacts through these agencies. The minister stated that nothing is being done in the way of immigration activities in the United States. I should like to know how many immigrants came into western Canada from the United States during the last year or so.

Mr. GORDON: It would be difficult for me or anyone to state exactly how many immigrants came into western Canada from the United States. It is within the realm of possibility that an immigrant might come into western Canada from the United States and then, not liking that part of the country, move to eastern Canada, or vice versa.

Mr. McINTOSH: I hardly think that would happen.

Mr. GORDON: Perhaps we will have to agree to disagree. On page 10 of the report of the Department of Immigration and Colonization which has been tabled are figures which will furnish an answer to the hon. gentleman's question. Unless the committee desires it, I should like to be relieved from reading the figures on to Hansard.

Mr. McINTOSH: I thought that would be rather an easy question to answer. If we are doing no work to get people into western Canada from the United States I should like to know just how many did come in.

Mr. GORDON: During the year 1933, 13,196 people came into Canada from the United States. I think we can congratulate ourselves that the movement of desirable immigrants from the United States is very substantial.

Mr. McINTOSH: That was the idea back of my question.

Mr. GORDON: We have a splendid country.

Mr. MITCHELL: In January of this year the following resolution was passed by the British House of Commons:

That this house is of opinion that the time has now come when His Majesty's government should get in touch with the governments of the dominions with a view to putting forward a scheme for the voluntary redistribution of the white peoples of the empire and the stimulation of shipping and trade under the flag.

Could the minister state whether the British government has got in touch with the Canadian government in connection with that resolution?

Mr. GORDON: The answer is in the negative.

Mr. CASGRAIN: Do I understand that this government has not been approached by the government in England with a view to promoting that scheme?

Mr. GORDON: No.

Mr. CASGRAIN: It is all on paper.

Mr. MITCHELL: When the estimates were up before the minister gave the number of people who had been sent back to the British Isles. I asked a question at that time, out of which another question arose. I wanted to know the number who had requested to be sent back to their country of origin. The minister was able to give me the figures for the British Isles and he said he would look up the figures for the other countries in Europe. Has the minister any information to give the committee at this time?

Mr. GORDON: The answer to that question would involve a great deal of detail. It is all given in the report of the Department of Immigration and Colonization for the fiscal year ended March 31, 1933. Table number 54 on page 65 gives the countries to which people were returned and the reasons for their being returned.

Mr. CASGRAIN: In the amount mentioned for contingencies is included $9,000 for Chinese; what is that spent for?

Mr. GORDON: The Department of Immigration and Colonization is charged with the administration of the Chinese Immigration Act. For reasons which I am sure are well known to hon. members, this act is very difficult of administration. The item to which reference has been made has to do with the administration of that act.

Mr. CASGRAIN: Is that act administered by this government in conjunction with the United States or China, or is it under the control of this country alone?

Mr. GORDON: That act is a statute of the parliament of Canada. It was passed before I became a member of the house and I think before my hon. friend was a member.

Mr. CASGRAIN: I do not think so, because I would remember.

Mr. GORDON: It was designed to control Chinese immigration into Canada. I shall not take up the time of the committee in going over its various sections as they are there for any hon. member to read.

Mr. CASGRAIN: That statute was passed several years ago and I do not know just what are its terms. I should like to know in what way that $9,000 is to be spent in connection with the administration of the act. Is it to be spent to keep Chinamen out of the country, or to send them back, or to prevent them from committing misdemeanors, or what?

Mr. GORDON: Sometimes it is to send Chinese back to their country; sometimes it has to do with legal proceedings in connection with their right to be in Canada; and there are of course travelling expenses in connection with these investigations and other small incidental matters such as stationery, ink, postage stamps and so forth.

Mr. CASGRAIN: That is true, but in view of the minister's statement there are some other figures that need further explanation. He says that that amount is spent for stationery and also for sending Chinamen home. In the contingencies he has another item of $135,000 for deportations. Does he mean to say that besides the $135,000 under the heading of contingencies in connection with deportations, there is still some of that amount of $9,000 that goes to deport Chinamen? He speaks about stamps and stationery. There is under contingencies another item of $6,000 for the head office at Ottawa. I suppose the expenses in that connection are for stationery and such matters. Some further explanation should be given.

Mr. GORDON: Regarding the item of $135,000 for deportations, there may be an overlapping so far as the administration of the Chinese Immigration Act and deportations generally are concerned, but if so, it is to a very slight degree; the item of $135,000 is deportations generally without, in the main, including those under that act.

Mr. CASGRAIN: If the minister cannot give more detailed information I have to take what he gives me, but I must tell the committee that I am not very well satisfied with the explanation given. I hope next year, when these estimates come up, we shall receive more detailed information.

Mr. GORDON: I hope to be here at that time.

[Mr. Gordon.]

Mr. CASGRAIN: There may be a change and then we shall have more information.

Regarding the item of $3,700 mentioned under contingencies, for immigration of British children, how is that sum accounted for? Have we a scheme for bringing young British immigrants here?

Mr. GORDON: That item is the result of an agreement entered into between the British government and the government of Canada that preceded this one, with respect to bringing British children here, under which certain obligations were assumed by the Canadian government with respect to the after-care of those children. If the estimates for past years are examined, they will be found to be rapidly decreasing. The British children who come in under the agreement have, generally speaking, done very well.

Mr. McINTOSH: How long will these agreements be operative?

Mr. GORDON: The agreements, so far as bringing in the children is concerned, have expired, but the obligation to take care of them, that is the after-care, has not expired. This vote, however, indicates by its reduced size that the work is pretty well finished. I hope it will not be long before we can not only take care of those in Canada but see many more of the British boys come here.

Mr. CASGRAIN: I understand that this sum of $3,700 is for looking after British immigrant children in Canada. How many of those young boys came here this year?

Mr. GORDON: None.

Mr. CASGRAIN: Last year?

Mr. GORDON: None.

Mr. CASGRAIN: There are some other items to which I would like to draw the attention of the minister. I said a moment ago that under the heading of contingencies the sum of $6,000 was mentioned. This is a big amount when we have also all the salaries of the officials; I am not complaining about their efficiency, but I should like to know what this item of $6,000 is for. The minister told us that under the item of $9,000 for deporting Chinese, stamps, stationery and other matters are included. Six thousand dollars is a very large amount and I would like to have some definite information as to how it was spent.

Mr. GORDON: This item would cover such matters as travelling expenses of executive officers of the department. There are some expenses of the head office at Ottawa

that will be charged to this vote, the details of which I cannot supply because I do not have them at hand.

Mr. CASGRAIN: These people must be travelling a great deal. Under the heading of contingencies, as I have stated before, we had $73,000 for the people who look after the boundary immigration service, $33,000 for the inland service, and $28,000 for the seaboard service. Besides all these we have $4,000 or $5,000 or $6,000 for travelling expenses from the head office to the various parts of the country. The minister ought to be in a position to give us detailed information as to how this amount of $6,000 is arrived at. If the department has any motor cars at the head office, how many would there be? Who are the officials or special inspectors or other officers, if there are any, who travel, and if they were on special cases, what was the purpose of their travels here and there throughout the country?

Mr. GORDON: I confess I cannot give the details of the travelling expenses of the major officials of the department. Certainly the chief commissioner has been to each coast on a number of occasions; the deputy minister has made certain trips, as has also the assistant deputy. In fact, I think if the auditor general's report were examined, it would be found that I have made certain trips and probably, although I do not know at the moment, they were charged to the department; I have not the figures under my hand. But this, I take it, is an appropriation that is common to every department of government where one cannot go into the details; in every department an item of this kind is voted and has been since there were departments. It is a responsibility of the minister and those acting with him to see that a vote of this kind is properly spent and used for contingencies for the expenses of the major officials of the department during the course of their work. Surely the hon. member would not ask me to try to forecast for the next twelve months what a vote of this kind is likely to comprehend. I frankly confess I cannot do it.

Mr. LUCHKOVICH: What are the conditions and regulations in regard to the entry of any immigrant into Canada? In other words what are the admissible classes?

Mr. GORDON: Perhaps I may answer in this way; there has been no amendment of the statute itself, and no amendment of the regulations with respect to intended migrants from the British Isles and from the United States. There have been amendments relating to the continent of Europe, limiting those who will be admitted to (1) the wives and children of migrants legally landed in Canada who upon investigation have been found willling and able to receive their relatives, and (2) migrants who desire to come to Canada, who upon investigation have been found to be provided with sufficient money to carry on agricultural activity in Canada, who have had an agricultural background in the land of their nativity and who in the opinion of our investigating officers are desirable people to be admitted. That is as briefly as I can state the act and regulations as they obtain at the present time.

Mr. LUCHKOVICH: What about the case of the children of immigrants who have been allowed to enter this country? I feel personally that there should be some latitude in regard to allowing say a son or daughter of an immigrant now in Canada to come into the country. Certainly such a one is to be preferred to an immigrant who ostensibly comes to farm but soon drifts into the city to engage in some calling there.

Mr. GORDON: Cases such as the hon. member has outlined arise very frequently. Perhaps a son or a daughter not eligible under the present regulations desires to enter Canada, and the parents here desire the migrant to join them. When representations are made to the department concerning such cases an investigation is conducted, and if it is found that the family is a desirable one—of course I have to rely on the information I can get from the safest sources that I can resort to—and the case falls outside the regulations, a recommendation is made to council in order to procure the admission of the person in question.

Mr. McINTOSH: Has any bond to be given by the parents in a case of that kind?

Mr. GORDON: No bond is required unless it is a case, such as arises sometimes but not frequently, where the child is physically or perhaps mentally defective. Then a bond would be required in order to assure ourselves against the possibility of that child becoming a permanent public charge.

Mr. McINTOSH: I may say to the committee that I have had the privilege of making representations to the minister on one or two occasions with regard to cases of this kind. The minister received these representations in a splendid way, and if I remember correctly the children were admitted, of course to join their parents and engage in agricultural work in the dominion. May I ask the

total number of deportations from the prairie provinces to the United States in the last year?

Mr. CASGRAIN: How many altogether?

Mr. GORDON: Hon. members will find a compilation of the figures in the last annual report at page 65, table 54, showing the deportations by provinces.

Mr. McINTOSH: Is the figure for Saskatchewan there?

Mr. GORDON: The table gives the figures for the years from 1902 to 1933. The total number from Saskatchewan for the whole period was 16,796.

Mr. SPENCER: Will the minister give the total?

Mr. GORDON: The total during that period is 52,119.

Mr. MITCHELL: What are the total deportations to Poland, Germany and Russia?

Mr. GORDON: While those figures are being looked up I would like to answer a question asked a while ago relating to the number of people deported from Canada to the United States. The figures are:

1931	263
1932	367
1933	308

The numbers deported to Canada from the United States were:

1931	2,038
1932	2,112
1933	1,803

Mr. SPENCER: While the minister is looking for the figures could he give us the meaning of the large number coming from the United States to Canada as against the small number going from Canada to the United States?

Mr. GORDON: The figures I have just given had to do with deportations, but I am afraid the hon. member's guess is as good as mine with regard to the reason; I do not know.

Mr. SPEAKMAN: I should like to ask a question based on an answer given by the minister a short time ago. I think he stated that the conditions under which immigrants might come to Canada from continental Europe were first that they intended to engage in agriculture and second that they had the requisite amount of money to give them some prospect of success. Can the minister tell the committee how large is the sum, generally speaking, which is looked upon as requisite for that purpose, or if there is any set figure?

[Mr. McIntosh.]

Mr. GORDON: That is a very difficult question to answer; it must lie very much in the discretion of the officers who carry on the investigation. I am sure hon. members will readily realize that if they were at one of the ocean ports or on the continent looking over a possible immigrant, using their best discretion they might well turn down a man with $50,000 and let in a man with 50 cents. Perhaps the man with $50,000 would lose it in a very short time and become a charge on the community while the other chap would start to make his small capital grow. We have to use discretion, and we do not lay down any arbitrary rule. It is most difficult to determine just what should apply in each individual case.

Mr. SPEAKMAN: Then there is no minimum sum required? I based my question on the minister's statement that one of the conditions, and perhaps the main condition, was that the immigrant should have that sum which, in the opinion of the department, was requisite in order to give him some prospect of success, and I wondered if any minimum was set. I understand that there is no minimum?

Mr. GORDON: I can perhaps answer that by saying that no agriculturist has been admitted with less than $1,000 in cash after he arrives here, and in almost every case it is a great deal more.

Mr. CARMICHAEL: This is a very large vote, amounting to practically $1,250,000, and according to the minister very few immigrants are being admitted, while the restrictions covering their admittance are very rigid. I have been wondering if it would be possible for this department to branch out on another line that might be considered an innovation. Before mentioning that, however, I should like to direct to the attention of the minister the matter of the British boys who have been brought to Canada. I believe he said they were quite satisfactory. I remember that a few years ago we were told that these boys were given some training in Great Britain prior to being brought out here. I believe they were put in schools or on farms under agricultural instructors and given at least the first principles of agricultural activities before being sent to this country, and I think perhaps they were put on farms out here for instruction as well. At any rate, in general I think the scheme was quite satisfactory.

For the past two or three years the minister also has been pursuing what he calls a land policy, which I endorse. While some

take exception to it I do think that any person with an agricultural background placed on the land with not too heavy an indebtedness over him has at least a fair chance of making a living. The matter I was going to bring to the attention of the minister is this: there are a number of young boys in our own country who have not an agricultural background. Some of them are university graduates; some have graduated from our collegiate institutes. I have had young boys ask me how they can get a start so as to make their way in the agricultural industry. Some of them would not know which end of a horse to put forward or where to put the collar on a horse, perhaps, but the point I had in mind was this: would it be possible, out of this large sum of money, perhaps in conjunction with our experimental farm system, to establish training schools for such boys who have not an agricultural background, giving them a year or two of agricultural training and then starting them out on our farms as the British boys were started, in the hope of placing a number of them where they would have a chance to make good? I wonder if this thought has ever been brought to the attention of the minister and what he would think of such a scheme.

Mr. GORDON: The suggestion made by the hon. member is one that might very well be given serious thought by everyone interested in this country. In this rapidly changing world we have found that perhaps industry does not offer the same job security that we had hitherto expected. Previously activities along the line suggested by my hon. friend have been confined largely to private organizations within and without Canada. The activities of the department, with regard to trying an experiment, let us call it, along the line suggested, commenced in the fall of 1930, and the hope was that facilities could be provided to bring to the attention of Canadians just where lay their surest hope of security as far as the home unit was concerned. We saw our cities with many jobless persons, a large percentage of whom had come from the rural sections of Canada, as every hon. member knows. A casual review of the movement from the rural districts to urban centres during the past forty years disclosed a rather arresting picture, and unquestionably in this country there is a very large disequilibrium of population, particularly having regard to the advance and mechanization of industry. The suggestions made by the hon. member might very well merit the attention of every hon. member in the chamber, because, in my opinion, in very large measure his suggestion offers an outlet and security not only for the youth who is growing up, but for even middle aged persons who find themselves without any means of livelihood. In 1930 the department outlined what has now been termed the back to the land movement, but which at that time I called colonization at home. The purpose behind the movement was to try to induce those who were able, to take advantage of what Canada had to offer. It was an encouragement to people who had funds of their own, and who saw those funds gradually dwindling in rents paid in the cities. I believe that in that effort we met with measurable success. Then, as hon. members will recall, in the following year aid was given to those who understood what it was to make a living on the land —not a fortune, but a living—so that they might be taken off the unemployment shelves.

The suggestion made by the hon. member goes somewhat further. I can readily appreciate its implications, and I have a considerable appreciation of the benefits which would flow from a long range policy of the type which he has suggested. I have given careful consideration to it. As to whether or not this is the time to begin there may be differences of opinion. In my view one thing is sure, namely, that no sounder or saner policy could be advocated or invoked by any government in Canada than to equip young men who have a flair for farming with knowledge which will enable them to take advantage of such opportunities as our country affords. All of us cannot go into mining; we all cannot go into the professions. Our country is just as good as we make it—perhaps it is just a little too good for most of us, because there are too many who will not take advantage of the opportunities it affords, but would rather take the very comfortable attitude that the world owes them a living. I think the day is rapidly coming when people will have to turn to the advantages the country offers, go at it and work. A long range policy along the lines suggested by the hon. member cannot be developed in a moment. It would be most desirable to equip our young men who care to take up that vocation with a scientific background, if you like, or at least with a mechanical background, so that they may know how to do their work, and so that if they desire they may take advantage of the opportunity afforded by the farm lands in Canada.

Mr. STEWART (Edmonton): I did not intend to take part in the discussion to-night, because I have a great deal of sympathy for

the position in which the minister finds himself, due to the fact that in previous governments I occupied that position on various occasions. But I do wish to say, Mr. Chairman, that when I hear professional men and some farmers talking about the advantage of training young men to go on the land I get a little bit fed up—yes, just a little bit fed up, because for some sixty odd years I happened to be a farmer. We farmers find it difficult to keep our boys, trained to farming, on the land. Why? Because they cannot make a living on the land—that is the difficulty. When I hear hon. members who have spent their lives in farming express approval of a scheme for training young men who have been prepared for other vocations in life, to do farm work, at a time when tens of thousands of boys are leaving the farms to go into the legal and medical professions, I am somewhat annoyed. Let me say to the minister through you, Mr. Chairman, that until farming is put upon a different basis you had better quit advocating the sending of men to the farms.

Mr. CASGRAIN: Change your policy.

Mr. STEWART (Edmonton): Such talk makes me tired. Only the other day I entertained a young man who had been brought out from England under a scheme of immigration. A bright young chap, he discovered very soon after arriving in Canada that in comparison with law, farming was a poor vocation. He is now training for law. This young man was in Ottawa only a few days ago with a group of young people from the university of Alberta who were taking part in the drama festival. I asked him why he did not stick to farming, in view of the fact that he had come to Canada with the avowed purpose of doing so. He said, "Mr. Stewart, it did not take me long to discover that farming was not a profitable vocation in Canada. I decided to enter the university of Alberta, and, backed by the financial assistance of my people, take a legal training."

Mr. GORDON: He has my sympathy.

Mr. STEWART (Edmonton): I can say this to the minister, who is also a member of the legal profession that when he gives advice to young men to choose agriculture, as it exists in Canada to-day, in preference to any other profession, he is not giving them very good advice. I make that statement despite the fact that we have a good many medical and other professional men on relief to-day. In my opinion agriculture has never had a fair deal; certainly it has never had a fair deal in all the years I have been engaged in it. Remuneration from agricultural activity in Canada, despite what professional gentlemen may say, is not and never has been at all comparable to that received from any professional vocation. When I hear hon. members advocate that young men should give up professions of various kinds and, backed by the government or by some other authority, go into agriculture, I say to myself "Well, for heaven's sake, if they knew what they were talking about they wouldn't advocate any such thing." As Minister of Immigration and Minister of the Interior I have sat on the government benches and have been bombarded by hon. gentlemen who then sat on this side of the house with requests to bring people to Canada to engage in farming. Because of the necessity of the occasion I was forced to spend money for that purpose, knowing in my heart that when I did so I was possibly lending my assistance to a scheme which was not required in Canada. Because of modern inventions and modern machinery we have enough agriculturists in Canada to-day to produce far more than we can consume, yet we are asked to spend money to take young men from the cities and the professions and place them in a vocation which in Canada is already overcrowded. Why have we 200,000,000 bushels of wheat which we cannot sell? I submit that if we could sell all the live stock owned by farmers to-day, over night they could increase their production to the point where we could not possibly dispose of it. I get a bit tired of hearing gentlemen advocate schemes under which they would put people on the land to earn a livelihood. Perhaps some people in the cities to-day who have been trained in agriculture could go on the land, on a small holding, and make a living, but that is all they will make. I know western Canada and I know eastern Canada. The statement used to be made that we westerners produced great quantities of wheat and then went to California to spend our profits, but in the most prosperous days not three per cent of the western farmers found themselves in a position to go to California. I know something about Ontario, the banner province of Canada, and I know that under present conditions very few farmers in this province are far removed from the sheriff, who may step in any day and sell them out. Let us face the facts squarely. We are all in difficulties. I do not say that the professional man is having an easy time, but when

you tell me that the professional man, who may have a smattering of agriculture, can be trained to take his place and succeed amongst men who have followed agriculture all their lives, you are telling me something that is not true. My hon. friend may indeed know a great deal about agriculture. He has been trained in the profession of the law, but let him go out on the farm—I will give him one in Ontario, and I guarantee that in five years he will have starved to death. We might just as well be honest and plain about this thing. Ask any practical farmer in this house, no matter how much he has had in the way of financial support, and he will tell you that in a period of twenty-five years, unless he has been mighty careful, his remuneration at the end of that period will not in any way be comparable with that of the professional man—I am not speaking of the top-notcher, but the ordinary, everyday doctor or lawyer. And the reason we cannot keep our boys on the farm is that they know these things, and they want to enter one of the professions. I have three boys; only one of them is on the farm, and I have the greatest difficulty in keeping him there, because despite the fact that his brothers are in receipt of only meagre incomes he still thinks they are much better off than he is. Yet the government is asked, and when I was in the government I was asked, to train young men who have no knowledge of farming in order that they may go into agriculture and the professions may not be overcrowded. I repeat that I get just a little bit tired of that sort of thing, Mr. Chairman. I do not care what branch of agriculture you go into, the fact remains that agriculture has had to bear the burden and heat of the day ever since I knew anything about conditions in this country, and just now this government, apparently sensing the real situation, are presenting a marketing bill in order that they may help our distressed producers of natural products. Why are they doing it? Because they realize full well, just as the minister does, that the agriculturist to-day is in a very serious situation. The government are beginning to realize to-day more than they ever did before that unless they do something for the farmer his chance of earning a livelihood on the farm is very precarious indeed.

What is the remedy? What are you going to do about it? Put more of them on the farm? I have never believed in all the years I have been in this house that we could pay our debts and ease the burden of taxation that is upon our shoulders by further immigration, because every new citizen means a new burden. I think I am warranted in making that statement. The poor duffer who comes to this country or our own citizens who have been born and raised in urban localities have a mighty slim chance of succeeding on the farm. Better train these young men in mining or lumbering or something else, but for heaven's sake do not spend money to send them into agriculture under conditions as they exist to-day.

Mr. BAKER: I have no right, of course, Mr. Chairman, to speak on a question pertaining to farming, but the hon. member for Kindersley (Mr. Carmichael) brought forward, as I think the minister admitted, a very good suggestion that was worthy of consideration. I did not hear anybody suggest that professional men should be taken from the cities and put on the farm. The suggestion was that young men of Canada, not men learned in the law or in some other profession, should have the means to go on the farm. I have never attempted to discuss farming except in 1926 when I did venture to express the opinion that if the farmers of the west would quit wheat mining and become real farmers they would not have hundreds of millions of bushels of wheat on their hands. I told them they would if they continued wheat mining, and they have got it now. I am not speaking as a lawyer, for I am not a lawyer. I was not brought up in the legal profession, which may or may not be good for me. I am only speaking as a five cent business man. But I do say to my hon. friend from West Edmonton that the trouble with the farmers of the west is that they were not farmers but wheat miners. The men in the west to-day who are real farmers are not in any great difficulty. If the information is of any value to my hon. friend, I may say that my father was a dry goods man. He had three sons and brought them up to the dry goods business, which we nicknamed the rag business. We have stuck to the dry goods business, and I think the great mistake in this country is that the man and the woman on the farm with three sons, instead of encouraging them to stay on the farm, have the idea that one must be a lawyer, another a doctor and the other a minister of the gospel. That is the key to a lot of the trouble. Keep them on the farm, and the affairs of this country will be in a better state. Do like my dear old dad did—bring your sons up to your own business.

Mr. STEWART (Edmonton): I just want to correct my hon. friend in one thing. When he talks about wheat mining he is talking

absolute rot. He is talking about something he knows nothing about. He knows no more about it than I do about the dry goods business, and that is nothing. It is all right for the easterner who has made his pile and can spend it in California to talk glibly about the wheat miners of the west. But that is a pure myth. There is just as much mixed farming in western Canada to-day as in eastern Canada. But fortunately in the west we happen to have a country in which we can produce considerable quantities of wheat. We find ourselves with a considerable surplus, or rather the government finds itself with it, unfortunately. But when my hon. friend makes a statement like that about wheat mining it is pure unadulterated rot.

Mr. SPOTTON: Order.

Mr. STEWART (Edmonton): I say that advisedly, Mr. Chairman. It is pure unadulterated rot.

Mr. SPOTTON: I rise to a point of order, Mr. Chairman. I submit that it is unparliamentary for a member to say that another member is talking rot. I ask for your ruling.

Mr. STEWART (Edmonton): I notice, Mr. Chairman, that you hesitate to express your opinion on the point of order. I would hate to offend my hon. friend, but his statement calls for strong language, and so far as I am concerned I propose to express my views in the strongest possible terms. I have no apologies to make. When I hear hon. gentlemen rising and talking in this house about matters which, as I have pointed out, they know nothing about, know no more about than I do about the dry goods business, then I am constrained to use strong language.

Mr. BAKER: I never assumed to know anything about farming.

Mr. STEWART (Edmonton): May I say this to my hon. friend, and perhaps he will think this a strong statement. I was raised in Ontario before I left for the west. I operated a farm which my father had operated before me. My only background is farming; I have no other business except that I happen to be a member of parliament. The situation of the farmer in western Ontario may have been maligned and in some respects misrepresented, but with few exceptions the position of the farmer in the old province of Ontario is just the same as that of the farmer in the west.

An hon. MEMBER: Oh, no.

Mr. STEWART (Edmonton): My hon. friend says, "oh, no," but I have made some very close and careful inquiries and I say that advisedly.

An hon. MEMBER: You are wrong.

Mr. STEWART (Edmonton): No, I am not wrong. To put a man on a small piece of land with the handicap of even $600 is placing too much upon his back. The minister has followed me in the administration of the Soldier Settlement Act. Who were the soldier settlers? They were young trained farmers who had joined up, served their country and came back. The moment I took charge of that matter I claimed that no boy, no matter what his training or no matter how well he was equipped, could carry such a burden of indebtedness upon his shoulders. He has not been able to do it and that is the reason why there have been so many failures. It is an utter impossibility. What is going to happen with this back to the land movement? As long as conditions continue to be serious and difficult in the urban centres these people will stay on the land and eke out a living, but the moment the wage scales mount in urban localities, there will be a desertion from the farms to the cities.

Speaking for myself alone, I do not believe in encouraging people to go on the land, either through state aid or in any other way. If they want to go on the land of their own volition and know something about it, let them do it, but you will never make a success of putting people on the land under state aid. There has never been a more deplorable thing than the attempt to settle trained farmers on the land under the soldier settlement scheme. These men were not novices; they knew their business, yet they could not make it go. Under present conditions no farmer in Canada is going to make a success unless some relief is given, and I know whereof I speak. This applies not only to western Canada but to eastern Canada as well. Yet hon. members stand up and say that farming is a lucrative occupation, that a man can make at least a living out of it. You can if you are mighty careful, but I would hate to say the rest of it. I do not believe in any back to the land movement aided by the state, but I do believe in a back to the land movement by people who know something about farming, who know the difficulties they will have to face and the privations they will have to endure. At no time during the sixty years that I have lived has the farmer received a square deal. I say that advisedly. It is amusing to hear hon. gentlemen in the professions, in the trades and in industry telling people how to live upon the land. I

have listened to such talk in the legislature and in this House of Commons until I have become tired of it.

There is no doubt we are passing through serious times but that is because fifty per cent of the people who are on the land are not able to make a livelihood. Until these conditions change neither the farmers nor the rest of the population will be in a very happy position. Unless something in a real way is done to assist our farmers and agriculture, the difficult times through which we are passing to-day will continue.

Mr. GUTHRIE: A point of order has been raised by the hon. member for North Huron (Mr. Spotton) as to whether an hon. member is in order in saying that another hon. member's utterances are unadulterated rot.

Mr. STEWART (Edmonton): Will it help my hon. friend if I cheerfully withdraw that remark?

Mr. GUTHRIE: Yes.

Mr. STEWART (Edmonton): I cheerfully do so, because I have made my statement.

Mr. COOTE: More than ten years ago I remember saying in this house, when we were debating this very question of immigration, that the greatest danger facing the western farmer was that of overproduction. I did not get very much support—no more than a horse laugh from some hon. members. We have gone too far in the spending of money to bring in immigrants to produce more wheat and cattle. I have a certain amount of sympathy for the hon. member for West Edmonton (Mr. Stewart) and I congratulate him on the case he has made out to-night. Eleven years he was being badgered in the house to spend more money to bring in more farmers. We were told we must bring in farmers only, we must keep out the professions, the dry goods merchants and all such; they did not need any competition, but we did need more farmers to produce more agricultural products. When we asked who would eat all this stuff we were told there was an unlimited market. We have now found out that that is not so. To suggest that we ought to train more men and encourage them to go on the land seems to me to be—well, I do not know any parliamentary language in which to express myself. It is absolute nonsense to talk about such a thing. We know what happened with the soldier settlement scheme, and yet it is proposed that we enter upon a scheme whereby a lot of men will be put through the same kind of misery. A few weeks ago I gave the house the average income in 1932 of all farms in Canada; according to the bureau of statistics it was only $600, and out of that amount had to come interest, taxes, insurance premiums, machinery repairs and all that. There is an average of six and one-half persons per farm, and these had to live out of the balance. To suggest that we should encourage people to engage in agriculture under conditions like that is pure nonsense, and I am sorry I cannot use language strong enough to express what I really think about it. This fall good beef cows were selling in my constituency at one cent per pound. Any hon. member ought to know that any man engaged in producing fat cows to sell at one cent a pound is going into bankruptcy more quickly than he could go any other way; he would probably be better off if he went and gambled on the stock market or bought a sweepstakes ticket. If the government want to do something to better conditions in Canada, let them regulate the packers and take them off the farmer's back. Let them see that the farmer gets a decent price for his products. To think of spending our good money—perhaps it will be raised by the sugar tax—to put people back on the land to produce more wheat or cattle or other agricultural products, I say again is nothing but pure nonsense. I am surprised at the minister encouraging such a move, let alone proposing it.

Mr. GORDON: It seems that we have had a fairly good round at immigration, and I therefore move that the committee rise, report progress and ask leave to sit again.

Progress reported.

CIVIL SERVICE

SALARY DEDUCTION ACT—RESTORATION OF TEN PER CENT CUT TO EMPLOYEES RECEIVING $1,000 OR LESS

The house resumed, from Friday, April 27, consideration in committee of Bill No. 55, to provide for the deduction from compensation in the public service.—Mr. Rhodes—Mr. Gobeil in the chair.

On section 3, subsection 1—Ten per cent deduction.

Mr. RHODES: When we were in committee on the last occasion, the hon. member for Rimouski raised a point with respect to a provision in clause 3 and the point was also raised by the hon. member for Gloucester. The provision will be found in line ten on page 2 of the bill, as follows:

> And there may be paid out of any unappropriated moneys in the consolidated revenue fund such sums as are not otherwise provided for and are necessary to provide the full amount of compensation of those to whom this proviso applies.

The objection of the hon. member for Rimouski and also of the hon. member for Gloucester was that this gave unlimited powers of appropriation from the consolidated revenue fund and there ought to be a specific vote for the purpose. On that occasion I pointed out that a similar provision was contained in a number of bills. I instanced at the time, without having any record before me, that a similar provision was found in the Old Age Pension Act. But may I point out also that the same provision is found to-day in the following acts or statutory provisions:

Government Employees' Compensation Act.
Subsidy payments on Canadian coal.
Dominion Fuel Act.
Election expenses.
Gratuities in lieu of leave on retirement—National Revenue employees.
Cost of loan flotations.
Railway grade crossing fund.

Furthermore, may I point out that in the Salary Deduction Act of 1932 the same provision appeared, as will be found in subsection 2 of section 5 of that act which provides:

The superannuation of any contributor whose compensation does not exceed $1,200 per annum shall be paid out of any unappropriated moneys in the consolidated revenue fund.

Identically the same provision will be found in the Salary Deduction Act which we passed last year. Therefore it will be observed that there is nothing new in the principle of this provision. I do not, however, wish to say that because this has been done in previous acts and in previous years by governments of varying political complexions, therefore of necessity we must continue the practice, although I must say that there is a very sound reason for it. It is impossible in the nature of things to make an exact computation, and this is to provide an elastic sum to meet contingencies which cannot with accuracy be appraised in advance. The danger if you provide a fixed sum is that you may have too much or too little. If you have too little you do not provide sufficient to accomplish the purpose you have in mind, and if you provide too much you have an invitation to utilize a larger share of the appropriation than may be necessary. I do not wish to stand upon the order of procedure so far as the suggestion of the hon. member for Rimouski is concerned, and if he feels there is any more protection to the public treasury I am quite content that a limitation should be proposed. With that object in view, if the committee desires to put a limitation on the amount, I have had an amendment prepared accordingly.

[Mr. Rhodes.]

There is only one other point with respect to the wording of this subsection—and perhaps it is worthy of note—it is that the provision for payment of the amount in the terms in which it is provided in the bill limits it to the second proviso whereas the appropriation should be available for both provisos. Perhaps this feature ought to be provided for by amendment, but with respect to the limitation of expenditure I am quite prepared to abide by the wish of the committee.

Mr. VENIOT: Will the hon. member read the amendment?

Mr. RHODES: The amendment I am suggesting is of course in deference to the representations made by the hon. member for Rimouski and the hon. member for Gloucester. I am not sure that it is the best method of procedure, but I desire in so far as possible to meet their objections. The amendment as I have it drafted is as follows:

That the second proviso in subsection 1 of section 3 be struck out and the following substituted therefor:

Provided further that such deduction shall not apply to any member of the public service of Canada whose compensation during such fiscal year is not more than one thousand dollars—

That is the same phraseology, it will be observed, as at present exists.

—and there may be paid out of any unappropriated moneys in the consolidated revenue fund such sums, not to exceed in the aggregate one million dollars, as are not otherwise provided for and are necessary to give effect to the provisions of this subsection.

Mr. HEENAN: The position I took, and I take it personally, irrespective of the Liberal party or any other party, is that if we are going to give the benefit of the ten per cent increase, those who are entitled to it ought to get it, whether it be one million dollars or ten million. Therefore I cannot subscribe to an amendment that would limit it to one million. I take the position that the several departments ought to be able to bring in an estimate of the number of employees that would be affected. If the Minister of Finance tells me that they cannot do that, why should we limit it? By limiting it to one million dollars—

Mr. RHODES: Yes, that is the amount I named. I pointed out the difficulty; if you make it too large there is no advantage, and if it is too small it does not serve the purpose.

Mr. HEENAN: Well, the million might be too small.

Mr. RHODES: Quite so.

Mr. HEENAN: Can I stand here, whether it be on the side of the Liberal party or any party, and say that those who are entitled to the ten per cent shall not get it beyond a million dollars? No, and I will not do it. If we are not going to have the several ministers bring in an estimate I would rather leave it in the hands of the government as provided by the bill. The principle of the old age pensions is entirely different, because no one can tell—

Mr. RHODES: That is the point in this case.

Mr. HEENAN: If that is the case then I agree to it.

Mr. RHODES: I have already cited a number of statutes containing this same provision, for the reasons I have indicated. I would prefer to see the provision stand as it is as far as appropriating moneys out of the consolidated revenue fund is concerned, for this reason: that it provides just the sum which is required, no more, no less; whereas the naming of a specific sum has the objectionable features to which I have referred. My hon. friend will appreciate that I have only proposed this method out of deference to representations made in the committee by the hon. member for Rimouski and the hon. member for Gloucester.

Mr. HEENAN: I may stand alone on this; whether I do or not is immaterial to me. I disagree entirely with the suggestion of the Minister of Finance that this is similar in principle to old age pensions. I know enough about old age pensions to know that no minister nor anyone in Canada can determine wether there will be two thousand or five thousand names added to-morrow.

Mr. RHODES: If my hon. friend will permit me to interrupt, while in this matter there may be a nearer computation as to numbers, there cannot be as to amount, so that the principle is the same; it cannot be an ascertained sum.

Mr. HEENAN: Well, that carries out my point; I thank the minister for helping me. When I pointed out that the analogy did not hold I had in mind the fact that no one could determine the number of old age pensions that would be applied for. I did think and I still think that each department of the government could estimate the number of its employees that will be affected, and therefore could estimate the amount. But the Minister of Finance tells me they cannot, and I think there is something in the argument.

Mr. RHODES: My hon. friend will agree that it is impossible for a department to know, for example, how many days its temporary employees may work in a given year. Take for example the House of Commons; we do not know how long the session is going to last. If it extends beyond a given number of days the daily pay of the staff of the house will amount to more than a thousand dollars, whereas if at the end of the year they have not worked a given number of days, their pay will fall below that amount. This elastic provision is intended to provide for such contingencies. I think my hon. friend will see that under these circumstances it is impossible to make an accurate computation. I have endeavoured to meet the objections which have been raised by hon. gentlemen opposite—and I find no fault with them, notwithstanding that they are objecting to a provision which has been in the statutes for years, a provision which my hon. friend has supported, and which he supports now. I do not complain of being subjected to criticism by my hon. friend, but we are in the hands of the committee. The best estimate that can be made by the officials whose advice I must seek in the matter is one million dollars. If the sum is enlarged it is still open to the very objection to which I gave utterance before and on which I need not enlarge.

Mr. HEENAN: The minister, I think, has made a fair statement. But here is the quandary in which I find myself. I do not agree yet that the several departments cannot estimate the number of employees that would be affected, but suppose we accept the statement of the minister that they cannot—

Mr. RHODES: If my hon. friend will permit an interruption, I presume he wants to elucidate this difficulty. Suppose we have an estimate from every department of the government, including the House of Commons, embracing all this class of seasonal employees, and the amount estimated is not sufficient, what then? Some of these employees will have to go without their proper remuneration. That is why the provision is as it appears in the bill—in order that we may take from the consolidated revenue fund such sum as may be necessary for the purpose for which this legislation is passed.

Mr. HEENAN: The Minister of Finance does not appreciate when a member of the opposition is trying to help him out. This is the first time in my life that I have agreed with a Conservative minister.

Mr. RHODES: I hope I am not wrong.

Mr. HEENAN: You must be wrong, or I must. In the first place I do not agree that the several departments cannot estimate the amount that will be coming to their several staffs. But let us accept the statement of the minister—and we cannot take exception to that, because I know of no minister of this government who has ever estimated anything right; we have had this government now for four years with all its bluster and bunkum and blather, and it does not seem possible for any one of them to be right. We will admit their inability, so that the next best thing, in order to see that the civil servants get a fair deal, is to leave the matter in the hands of the ministry. If we put a limit of $1,000,000 beyond which they cannot go they may find that it will take a million and a quarter. I am not going to take the responsibility of saying that any civil servant who is entitled to the benefit of this ten per cent increase should be without it because I voted for the limitation of $1,000,000. When we were last in committee the minister gave an interpretation of the law which I appreciated and thought very good. I propounded a question as to whether any civil servant was going to benefit by this measure, having regard to the rumours in the corridors and even in the Ottawa press. Let us take the sessional stenographers as an example; they will not get any benefit because some of them are rated at $5 a day, though in the end they will earn only about $500.

I wonder if the hon. member whom I will call the minister from East Edmonton would give me about five minutes with the Minister of Finance; I would appreciate it, because I am going to speak for only about five minutes.

The CHAIRMAN (Mr. Gobeil): The hon. member has the floor.

Mr. HEENAN: Yes, but my hon. friend has the seat. In reply to my question the Minister of Finance put on record a very liberal interpretation, shall I say, of the bill with relation to part time and sessional employees. This is a delicate point, and I should like the minister to give me his attention. I think he said that no one could determine what the sessional or part time employees would earn in a year. I agreed entirely with him, but here is the position; if a sessional stenographer or any other part time or sessional employee works this session and then is away for a period of a few months, starting to work again next year, say in January, February and March, would the amount of money earned this session be taken together with the amount of money earned in the first three months of next year? I hope the government will not call a session next winter; I hope they will call an election instead, but if the session commences in January and the employee works during January, February and March, would the amount earned in those three months be taken into consideration when deciding whether or not that employee had earned $1,000? That is the only difficulty I have now. Having regard to the minister's statement that the government cannot estimate the amount of money that will be required I am not going to be a party to limiting the government no matter what amount there may be required in order to give the civil servants fair play.

Apart from that, I want to ask the minister if it is his understanding that in the case of a sessional employee the money that may be earned next January, February and March will be taken into consideration in deciding whether or not their salary is more or less than $1,000?

Mr. RHODES: I do not know that I can add anything to the statement I made in that regard when we were last in committee. The bill provides that border line cases can be taken care of by regulation of the treasury board, and I have already stated that we will give as wide an interpretation as possible within the terms of the act, and that in cases of doubt we will give the benefit to the civil servant in every case.

Mr. HEENAN: But the minister referred to the amount earned in a year. Does that mean the fiscal year or does it mean this session?

Mr. RHODES: Certainly it would not have the effect of limiting the salary of the temporary employee even if we made it the calendar year. If there are any border line cases coming after the turn of the year my previous statement still holds good. I must say, however, that assuming there were cases where there were additional days of service on the part of certain employees at a later stage in the year which put them well beyond the $1,000 limit, I am sure they would much rather have the deduction than earn only the thousand dollars without the deduction. As I have said, Mr. Chairman, the treasury board will give the widest and most generous interpretation possible in these border line cases.

Mr. HEENAN: Mr. Chairman—

Mr. VENIOT: Mr. Chairman—

The CHAIRMAN (Mr. Gobeil): The hon. member for Gloucester has the floor. He has risen three or four times.

Mr. VENIOT: Go ahead.

Some hon. MEMBERS: Oh, oh.

Mr. HEENAN: Some hon. members opposite are thinking of something else than wages or salaries. With the exception of a few like the Minister of Finance I have never seen a tory who thought about wages; they generally think about dividends and clipping coupons. This is a practical question; it is not a theory or a supposition. We are asked to vote a bill that provides for the remuneration of civil servants. I will take the sessional stenographers as the best illustration of which I know. They are employed at the rate of about $5 a day, and they will not earn more than $500 or at most $600 this session. I am trying to put a practical question to the Minister of Finance. I speak about the sessional stenographers because their position is known to all of us. Although they receive $4.50 or $5 per day, in the aggregate they earn about $500, or not more than $600, during the session. I looked up the minister's words when he referred to this matter before. I did not think he was trying to put anything over, because I have a great deal of confidence in him.

Some hon. MEMBERS: Oh, oh.

Mr. HEENAN: I know that statement may be surprising to some hon. members sitting behind him, because they laugh at it. Why they laugh I do not know. I must repeat that I have confidence in the Minister of Finance, but when he mentioned a year I did not know what he meant.

Some hon. MEMBERS: Oh, oh.

Mr. BELL (Hamilton): There is confidence for you.

Mr. HEENAN: Some hon. members behind the Minister of Finance may laugh, but loud laughter denotes an empty mind. I have never seen on a platform in Ontario any Conservative who had much more than an empty mind. That will be indicated at the next provincial election. At the moment however I am speaking to a gentleman who, I know, has some gray matter. When he mentioned a year he might have meant the calendar year or the fiscal year. Some hon. members may not understand that.

The CHAIRMAN (Mr. Gobeil): May I remind the hon. member that he is not speaking to the question at issue.

Mr. HEENAN: How do you know that? The chairman is taking a serious responsibility.

The CHAIRMAN (Mr. Gobeil): I must ask the hon. member to keep to the clause under discussion.

Mr. HEENAN: The chairman is taking a serious responsibility when he states that I am not talking to the question, because he does not know what he is talking about.

The CHAIRMAN (Mr. Gobeil): For the present I am in charge of the committee.

Mr. HEENAN: I shall come to the point, so that even the chairman will know what I am talking about. When the Minister of Finance mentioned a year he might have meant either the calendar or the fiscal year. I should be glad to have that point cleared up or explained. For instance, a sessional stenographer works during the session and then he, or she, as the case may be, is laid off until the next session. The stenographers, may work, January, February and March. Will their earnings for those months be included in the aggregate when the computation is made as to whether or not they earned $1,000?

Mr. RHODES: Of course I had in mind the fiscal year. The bill itself provides for the fiscal year which expires on March 31. That is why I referred to those border line cases which cannot be determined until about the end of the year.

Mr. HEENAN: The Minister of Finance will agree there is something in my question.

Mr. RHODES: Yes, certainly.

Mr. VENIOT: After all these questions, answers and explanations, may I be permitted to have a word? The other evening when this bill was under consideration I took the objection to which reference has been made by the Minister of Finance. I believe that before I had spoken the hon. member for Rimouski had taken a similar objection. Upon that occasion I suggested the draft of an amendment to the bill. My object in doing so was, notwithstanding what the practice in the past might have been, to attempt as far as possible to keep in parliament the control over the expenditure of public money. I did not agree with the bill, as it then stood, taking the amount to pay these various employees out of unappropriated funds. Recognizing the right of parliament to have direct control over expenditures, I wished to have stated in the bill a definite amount. The

Minister of Finance has kindly considered the matter and this evening he submitted to me a copy of what he thought might meet my suggestion. I have gone into the matter carefully, have considered the form of amendment he submitted, and must say that it meets my views in every respect, and I should be only too glad if the Minister of Finance would have the clause so amended. Any attempt to limit the amount which should be paid to the civil servants was farthest from my mind. I know it is difficult for the minister to have every department submit a definite estimate to be brought into the supplementaries. Some departments could do so; I know of a fact that in the Post Office Department it could very easily be done. In other departments, however I realize that procedure would not be so easy, because of the variety of outside services connected with them. The minister has suggested that a million dollars might be within the mark, and if that definite amount could be stated I am willing to accept it. But in the event of the million dollars not being enough, what would be done to meet the balance I suggest that under the bill the treasury board has the power. One section states that the treasury board may make regulations for any other purposes deemed necessary to give effect to this act.

Mr. RHODES: Yes, but that would not permit the treasury board to go beyond a specific limitation which had been provided.

Mr. VENIOT: If parliament were not in session it could be done by governor general's warrant and then ratified by parliament.

Mr. RHODES: Of course, one may always resort to governor general's warrants, but it is a practice which should be avoided.

Mr. VENIOT: I suggest that in a case of this kind it is not a bad practice. I must say that I appreciate the spirit shown to-night by the Minister of Finance, but I suggest that if an emergency arose and the amount was found insufficient it would not be unreasonable to have a governor general's warrant to meet the deficiency, up to a certain point.

Mr. RHODES: The presumption is that the border line cases will arise at the latter part of the year, and be provided by supplementary estimates. May I point out, not by way of complaint, but to show how conditions of various kinds arise, that for about three weeks we debated the salary deduction bill of 1932; we were in committee for a very considerable time and this point was never raised.

[Mr. Veniot.]

Mr. VENIOT: It was not noticed.

Mr. RHODES: Yes, it was. It is conforming to a precedent that has been in vogue for many years, and has been in bills which my hon. friend supported. I am not making that suggestion to indicate that because something was done previously it must be continued; that is not my idea. I make the statement merely to show that there were sound reasons for doing it as it was done at that time.

Mr. CHEVRIER: Is there any possibility that in handing back the ten per cent to those who would be affected the million dollars might be reached?

Mr. RHODES: Yes. As I say it is extremely difficult for the officials to make an accurate computation. Their view is that it might be reached, but the figure given is as near as can be estimated.

Mr. CHEVRIER: Make it $2,000,000.

Mr. RHODES: I would have no objection to $2,000,000, but there again we are up against the difficulty about which I spoke earlier.

Mr. COOTE: I really do not think the objection that has been raised is vital. I think the paragraph as drafted ought to be all right. Although I do not agree with the principle of the bill, or at least to confining the restoration of the ten per cent only to those under $1,000—I think that amount is too small—the drafting of the section seems to be all right.

Mr. RHODES: If this amendment is not pressed, there is one amendment that should be made. If my hon. friend from Macleod will look at line 12 of section 3 he will see that the last two lines of that section read: "to provide the full amount of compensation of those to whom this proviso applies." That limits the payment of compensation to those referred to in that last proviso, whereas I am quite certain that it was intended, or should have been intended, by the draftsman to make the compensation applicable to those in both provisos. I therefore suggest that all the words after the word "necessary" in line 12 on page 2 of the bill be struck out and the following substituted therefor: "to give effect to the provisions of this subsection." That widens and clarifies the section. It is carrying out the original intent.

Mr. GUTHRIE: I move accordingly, Mr. Chairman.

Mr. VENIOT: It does not meet the objection which I raised the other night. I do

not want to delay the committee; I should like to see the minister get the bill through to-night, but I still hold to my opposition to the term "unappropriated moneys." If the minister would have the section read as he first proposed, and strike out the words he now proposes to put in, I should be satisfied.

Mr. RHODES: I have tried to give effect to my hon. friend's desire, but apparently the committee was not with him.

Mr. VENIOT: The committee was with me. There was only one objection.

Mr. RHODES: There was another as well.

Mr. VENIOT: Well, that is two.

Mr. HEENAN: As I understand the effect of this amendment it is more or less window dressing. It is just the same thing—a blank cheque.

Mr. RHODES: No, my hon. friend is in error. It widens the section. The wording of the clause as it stands restricts the compensation to those in the second proviso while the intention was to include both provisos, and the amendment is moved to make that clear.

Mr. HEENAN: I cannot object to it under the circumstances. The minister says it makes it wider. That simply means a wider blank cheque.

Mr. RHODES: It means more generous treatment of the employees of the government.

Mr. HEENAN: Then I will vote for it. But does the minister not think it unfair that employees who are working for a daily or weekly or monthly wage should have to wait until the end of the fiscal year before they know whether they are going to be engaged for a sufficient length of time to earn $1,000 or get the benefit of this legislation? I am satisfied that the Minister of Finance is practical enough to realize that men or women, boys or girls, who are working in the civil service from month to month have their bills to pay the same as the rest of us; they are thinking not of the end of the fiscal year but of the end of the month. When the 31st of December comes, the year has gone by; why should civil servants who are only temporarily employed, and who give very valuable service to this country, have to wait until the end of the fiscal year before they can tell whether or not they are going to get back the ten per cent? It would be a small amount in the aggregate for those civil servants who are usually employed as temporaries, I do not care in what capacity. There cannot be very many of them, and they are nearly all in Ottawa. They should be reimbursed the ten per cent at the end of the calendar year, not at the end of the fiscal year, and if the minister will amend the bill accordingly I will vote for it one hundred per cent.

Mr. RHODES: It would be to the advantage of the civil servant to wait until the end of the year. He is being paid in the meantime.

Amendment agreed to.

On section 3, subsection 2—apportionment of deduction.

Mr. VENIOT: I want to draw the attention of the minister to a situation that prevailed last year in connection with this deduction. In the case of postmasters the deduction is made from the total amount received on commission, that is, over the $100 allowed the postmaster as salary in the smalll rural offices. Where a postmaster is paid by commission the deduction is made on his total commission. For instance, the business done may be between $1,800 and $2,000 to give the postmaster $1,000 as his salary. The ten per cent is deducted from that $1,000—I am referring to the previous bill—irrespective of the expenses which he must incur to carry on the business of the government. In the larger revenue offices—these do not come under the present bill—the commission may be $2,000 but the postmaster has expenses to pay to carry on the work of the government. The deduction does not take those expenses into account and it should be made only after the postmaster has paid his help and his light and fuel. It is not fair to make a deduction from his total commission when he may have to pay $150, $110, $100 or $75 for expenses to run his office on behalf of the government. Perhaps it cannot be remedied under this bill, but I suggest to the minister that he take this point into consideration when dealing with future deductions—I think it can be regulated by the treasury board—and make the deductions from the minimum and not from the total commission received.

Mr. RHODES: When the treasury board is considering such regulations I will give my personal undertaking to look into the questions brought up by my hon. friend. If there is any injustice which can be properly remedied, I shall be very glad to see that the proper remedy is provided.

Mr. VENIOT: Before the board deals with such a matter perhaps the minister would call in some of these postmasters in order to obtain accurate information.

Mr. RHODES: I doubt if that will be necessary. I think all the information necessary can be gathered from the officials of the department.

Mr. HEENAN: I appreciate the very gracious way in which the minister has received suggestions from the opposition. I see the Minister of Justice (Mr. Guthrie) is in his place, but I regret that the Minister of Railways (Mr. Manion) and the Prime Minister (Mr. Bennett) are not in their places. I remember sitting on the other side a few years ago—it may seem like a hundred years to some but in fact it is only three or four years ago—when the present Minister of Justice, the present Minister of Railways and the present Prime Minister sat on this side of the chamber. At that time they claimed with tears in their eyes that a civil servant should have at least $100 per month in order to bring up a family under Canadian standards. If that statement was right then, it is right to-night. In view of that statement I wonder if the Minister of Finance would not make the amount $1,200 instead of $1,000. Of course, he was not in the house at that time and was not responsible for the sins—I should not call them sins, because I agreed with them —or the gospel of his colleagues. I know the Minister of Finance will say that increasing this to $1,200 will mean quite an additional amount. The same thing was said in connection with the old age pensions. After that legislation was well on its way through the house hon. members of the Conservative party who were opposed to old age pensions advocated that the pension should be not $20 a month but $30. They also wanted the age limit lowered from seventy years to sixty-five years, and some wanted it brought down to sixty years. That would have cost about $179,000,000, but these suggestions were made in an effort to kill old age pensions. I know the Minister of Finance can advance the legitimate argument that increasing this limit to $1,200 will cost the federal treasury several millions of dollars, but the fact remains that some years ago $1,200 was the minimum set upon which a civil servant could live, and the same holds true to-day.

Progress reported.

At eleven o'clock the house adjourned without question put, pursuant to standing order.

Friday, May 4, 1934

The house met at three o'clock.

RAILWAYS AND SHIPPING

APPOINTMENT OF SELECT STANDING COMMITTEE TO CONSIDER ACCOUNTS AND ESTIMATES

Hon. HUGH GUTHRIE (Minister of Justice) moved:

That standing order 63 of the House of Commons, relating to the appointment of select standing committees of the house be amended by adding to the select standing committees of the house for the present session a select standing committee on railways and shipping, owned, operated and controlled by the government to which will be referred the accounts and the estimates of the Canadian National Railways and the Canadian Government Merchant Marine for the present session, for consideration and report to the house; provided however, that nothing in the resolution shall be construed to curtail in any way the full right of discussion in committee of supply, and that said committee consist of: Messrs. Beaubien, Beaubier, Bell (St. Antoine), Bothwell, Cantley, Chaplin, Duff, Euler, Fiset, Fraser (Cariboo), Geary, Gray, Gobeil, Hanbury, Heaps, Kennedy (Peace River), McGibbon, MacMillan (Saskatoon), Manion, Power, Price, and Stewart (Lethbridge).

I beg to say that this is in the same form as the motions previously moved in this respect.

Mr. WILFRED HANBURY (Vancouver-Burrard): Before the motion is put to the house; in view of the guarantee of the credit of the Canadian Pacific Railway given by the government, and particularly in view of the statement issued in connection with the request for similar guarantees by the government of British Columbia, I wish to move this amendment:

That the first paragraph of the motion before the house be amended to read as follows:

That standing order 63 of the House of Commons relating to the appointment of the select standing committees of the house be amended by adding to the select standing committees of the house for the present session, a select standing committee on railways and shipping, owned, operated and controlled by the government, or whose borrowings have been guaranteed by the government, to which will be referred the accounts and the estimates of the Canadian National Railways and the Canadian Government Merchant Marine for the present session, together with the accounts and estimates of the Canadian Pacific Railway, and their subsidiary companies, for consideration and report to the house.

In speaking before the annual meeting of shareholders of the Canadian Pacific Railway at Montreal during the present week, Mr. Beatty, the president of that company, stressed the seriousness of the railway situ-

ation, we will assume with particular reference to his own company. He spoke of the necessity for a greater degree of unification of services and operation. He has indeed painted a very dark picture of the future outlook for the railways of Canada.

Therefore I believe that the affairs of the Canadian Pacific Railway should be investigated by this house, based on our guarantee of their securities. In support of that view I wish to quote what this government have said to the province of British Columbia—quite properly I think—that if the government of the province of British Columbia are to come to this government and ask for financial relief, this government should have the opportunity of reviewing their estimates. In order that the members of this house may get the full picture I consider it advisable to read the whole letter addressed by the Prime Minister of Canada to Mr. Pattullo, the premier of British Columbia, although perhaps it is not all germane to the point under discussion:

Ottawa, May 2, 1934.

Dear Mr. Pattullo,

Your request for financial assistance has been given the most careful consideration by council, and in reviewing your position we have had before us the letter of the Hon. John Hart, addressed to the Minister of Finance on February 26, which we have considered in the light of the letter addressed to Mr. Hart by the Minister of Finance on March 29, as well as the telegrams which have been exchanged between us on the same subject.

Notwithstanding our own financial problems, which are onerous and difficult, it is the desire of the government to assist you to the best of our ability, but we cannot in justice to the taxpayers of the dominion accept the statement of your requirements as outlined in Mr. Hart's letter of March 26 as representing a complete effort on your part to deal with your financial position.

We must, therefore, ask you to submit a revised program which will substantially reduce your contemplated deficit of $2,120,330.66 on ordinary account for the current year, which you anticipate notwithstanding your abandonment of sinking fund requirements which amounted to $2,421,620 last year.

As the preparation of this statement cannot be made until Mr. Hart returns to Victoria, and you appear to be in pressing need of immediate funds, we are prepared to advance such sums as may be necessary to meet your immediate and pressing requirements on the understanding that your revised program is to be submitted sometime within the next four or five weeks at the outside.

It would be desirable to ask you to submit a statement which would show something appoaching a balance on current account; however, realizing your difficulties and with the desire to be helpful, we will not go so far as to ask that this should be done, but we must expect the contemplated deficit to be reduced to something in the neighbourhood of $1,000,000 at the outside.

When we receive such a revised program, we will give it favourable consideration and you will be advised promptly as to whether we are prepared to make advances from time to time in conformity with your revised program up to the end of the current fiscal year.

Apart altogether from the justice of this request as affecting your province, may I point out that it has been our endeavour to deal with absolute fairness with the requests from each of the four western provinces and it would be most unfair if greater consideration should be shown to British Columbia than to any other province.

In all of these circumstances, I trust you will recognize the fairness of this proposal, and in accepting it recognize the fact that it is the best we can make.

I repeat, Mr. Speaker, that my object in referring to this communication is not to bring the problems of British Columbia before this house but to substantiate the statement I made that the Prime Minister and the government of Canada are requiring—and I think rightly so—from the government of British Columbia the right to review their accounts. We have guaranteed the borrowings of the Canadian Pacific Railway up to $60,000,000, and in the amendment which I am submitting to the house I say we have the right to that information from the Canadian Pacific Railway.

Hon. HUGH GUTHRIE (Minister of Justice): Mr. Speaker, let me raise the point of order in the first place. I submit that the amendment is out of order and is not properly an amendment to the motion at all.

Some hon. MEMBERS: Why?

Mr. GUTHRIE: I am going to explain why, if hon. gentlemen will be patient. The motion deals exclusively with one subject, absolutely under the jurisdiction of this parliament, having regard to a railway undertaking owned and controlled by the government or the people of Canada. For the last three or four years it has been customary to introduce similar motions, dealing exclusively with the Canadian National Railways and its undertakings. The object of the amendment is to permit the house to go on with that inquiry into the affairs of the Canadian National Railways, but in addition it endeavours to bring in an entirely different enterprise that has nothing to do with the Canadian National Railways. I submit that if the motion is proper it is a substantive motion and should be brought before the house as such, with notice given in the ordinary way.

Therefore I would ask you, Mr. Speaker, to rule that the amendment is out of order at this time.

Mr. MACKENZIE (Vancouver): Could the house have the benefit of hearing the original motion read again?

Mr. SPEAKER: The motion is that standing order 63 of the House of Commons relating to the appointment of select standing committees of the house be amended by adding to the select standing committees of the house for the present session a select standing committee on railways and shipping owned, operated and controlled by the government to which will be referred the accounts and estimates of the Canadian National Railways and the Canadian Government Merchant Marine for the present session for consideration and report to the house provided, however, that nothing in the resolution shall be construed to curtail in any way the full right of discussion in committee of supply, and that said committee consist of Messrs. Beaubien and so on.

Mr. J. S. WOODSWORTH (Winnipeg North Centre): Mr. Speaker, although this amendment undoubtedly refers to the committee the accounts of another institution I submit that this is quite in line with the work that has been carried on by that committee in the past, and which it is proposed shall be done by the committee this year. Last year the Prime Minister told us very distinctly that the Canadian National was not owned by the people of Canada but by the bondholders and that it was being carried forward for the sake of the bondholders. Yet we feel ourselves quite competent to conduct an investigation into the affairs of this company, nominally owned by the people of Canada but in reality owned by the bondholders.

I take it that the Canadian Pacific is in a very different position this year than has been the case in the past. Though it is a privately owned road it has come to this government to have its bonds guaranteed, with no opportunity for this house to examine the books of the company in order to ascertain whether or not that guarantee is needed or whether or not in the future a similar guarantee may be applied for. Surely parliament has the right to investigate anything of this nature; I think no one will deny that, and there could be no more appropriate committee than that which is investigating the affairs of the other corporation. I hope this amendment will not be ruled out of order on a mere technicality. It seems to me that it would be very far fetched to say we could not include a second railway in this motion.

Hon. IAN MACKENZIE (Vancouver Centre): I am not speaking at all to the merits or demerits of the amendment but rather to the point of order which has been raised by the Minister of Justice (Mr. Guthrie). As I interpret the amendment moved by the hon. member for Vancouver-Burrard (Mr. Hanbury) it only adds to the motion of the Minister of Justice the words, "or whose borrowings have been guaranteed by the government." I do suggest very strongly indeed that it is a very proper amendment to the motion which has been moved. The minister moved the customary motion to set up this committee, and the amendment of the hon. member is to add the words, "or whose borrowings have been guaranteed by the government." Apart altogether from the merits of the matter surely that is a proper amendment, since it merely suggests an extension of the investigation to be carried on by the proposed committee. I submit that this is a very proper and timely amendment to the motion which has been moved by the Minister of Justice.

Hon. ERNEST LAPOINTE (Quebec East): If the views expressed by my hon. friend the Minister of Justice (Mr. Guthrie) should prevail it would be impossible to move an amendment to any motion of this nature. This amendment is not contrary to what is proposed by the motion of the Minister of Justice; it simply adds something to that motion and it is germane to the principle of the resolution, namely that this committee on railways and shipping shall investigate not only the railways owned, operated and controlled by the government but also those whose borrowings have been guaranteed by the government. Surely there is nothing out of order in this amendment.

Mr. GUTHRIE: It names another incorporation, the Canadian Pacific Railway. If that matter can be dragged in by a motion of this kind we might just as well say that we can investigate the finances of the province of British Columbia under the same motion. I am not discussing the propriety of such an inquiry; the point of order I raised had reference only to the question of whether that could be done by an amendment to this motion. An inquiry may be quite proper, and there will be opportunity every day this house meets to bring in such a motion if it is desirable, but it cannot be launched as an amendment to a specific motion such as the one I moved. We have had no notice of it, either.

Mr. MACKENZIE (Vancouver): The minister has spoken twice on the point of order, so perhaps I may be allowed to reply.

This is a committee to deal peculiarly with the question of railways, and this guarantee of $60,000,000 was given specifically to one particular railway corporation. By this resolution we are not entitled to investigate all guarantees given by the government, but we are entitled to investigate the guarantee given to the Canadian Pacific Railway.

Mr. SPEAKER: I am of the opinion that the amendment is a substantive motion. An amendment to the motion before the house could be drawn, but not I take it, in this form. It does not strike out those portions of the motion before the house which are not included in the proposed amendment, which should be done if the intent of the amendment is to be carried out. I hold that this is a substantive motion, that it is not a proper amendment and is not in order.

Mr. HANBURY: I very much regret, Mr. Speaker, that I must ask the house to divide on your ruling. I must appeal from your decision.

The house divided on the question: Shall the ruling of the chair be sustained? And the ruling was sustained on the following division:

YEAS

Messrs:

Arsenault
Baribeau
Beaubier
Belec
Bourgeois
Bowman
Burns
Bury
Cantley
Cowan (Long Lake)
Davies
Dickie
Duranleau
Ernst
Fraser (Cariboo)
Gagnon
Guthrie
Hackett
Hay
Johnstone
Loucks
MacDonald (Cape Breton South)
Macdonald (Kings)
Macdougall
MacLaren
MacMillan (Saskatoon)
MacNicol
McDade
McGillis
McLure
Moore (Chateauguay-Huntingdon)
Myers
Peck
Perley (Qu'Appelle)
Perley, Sir George
Plunkett
Price
Quinn
Robinson
Ryerson
Senn
Shaver
Short
Simpson (Simcoe North)
Simpson (Algoma West)
Smith (Victoria-Carleton)
Smith (Cumberland)
Smoke
Spotton
Stanley
Stewart (Lethbridge)
Stirling
Stitt (Nelson)
Stitt (Selkirk)
Thompson (Lanark)
Turnbull
Weir (Melfort)
Wright—58.

NAYS

Messrs:

Beaubien
Boucher
Boulanger
Bourassa
Butcher
Cardin
Carmichael
Casgrain
Coote
Desrochers
Donnelly
Duff
Dupuis
Fiset, Sir Eugène
Fournier
Garland (Bow River)
Girouard
Golding
Hanson (Skeena)
Heaps
Heenan
Irvine
Kennedy (Peace River)
Lapointe
Luchkovich
MacInnis
Mackenzie (Vancouver Centre)
MacMillan (Mackenzie)
McPhee
Marcil
Moore (Ontario)
Motherwell
Munn
Neill
Perras
Pouliot
Reid
Rennie
Sanderson
Spencer
Taylor
Urquhart
Weir (Macdonald)
Woodsworth—44.

PAIRS

(The list of pairs is furnished by the chief whips.)

Messrs:

Anderson (High Park)
Anderson (Halton)
Baker
Barber
Barrette
Bell (Hamilton)
Bell (St. Antoine)
Bell (St. John)
Bennett
Beynon
Black (Halifax)
Bowen
Boyes
Cahan
Casselman
Chaplin
Charters
Cotnam
Cowan (Port Arthur)
Dorion
Duguay
Dupré
Edwards
Embury
Esling
Fortin
Ganong
Garland
Geary
Gott
Hanson (York-Sunbury)
Harris
Jones
Kennedy (Winnipeg)
Laflèche
Laurin
Larue
Lawson
McGibbon
Maloney
Manion
Morand
Mitchell
Factor
Bertrand
Totzke
Rhéaume
Mercier (St. Henri)
Raymond
Dubois
King
Euler
Dubuc
McKenzie (Assiniboia)
Hepburn
Rinfret
Howard
Speakman
Blair
Hurtubise
Ilsley
Verville
Dumaine
Ferland
Elliott
Bothwell
Hanbury
Fafard
Michaud
Goulet
Mercier (Laurier-Outremont)
Rutherford
Veniot
Jacobs
MacLean
McIntosh
Denis
Fontaine
Thauvette
Gray
Power
Young
Chevrier
Parent

Mullins	Howden
Murphy	Stewart (Edmonton)
Nicholson	Bradette
Pettit	Bouchard
Pickel	Lucas
Porteous	Macphail, Miss
Rhodes	Ralston
Ross	Roberge
Rowe	Lacroix
Sauvé	Séguin
Spankie	Ahearn
Spence	Fraser (Northumberland)
Stevens	Malcolm
Stewart (Leeds)	Gardiner
Stinson	Hall
Sullivan	Brassett
Sutherland	Deslauriers
Thompson (Simcoe)	Jean
Tummon	St-Père
White (London)	Gershaw
Willis	Brown
Wilson	Vallance.

Mr. SPEAKER: Before the pairs are announced—

Mr. CASGRAIN: Before the pairs are announced I should like to say—

Mr. SPEAKER: I am addressing the house. Mr. MacLean asked that his vote be cancelled. I am afraid that cannot be done.

Mr. MACKENZIE KING: Inadvertently I did not notice the absence of the Prime Minister with whom I am paired. I should like to have my vote struck out.

Mr. SPEAKER: With the consent of the house the votes of Mr. MacLean and the right hon. leader of the oppostion will be cancelled.

Mr. CASGRAIN: Mr. Speaker, I wish to draw your attention to the fact that some hon. members opposite came in when the vote was being counted. I do not know if they are paired, but I think their action was against the rules of the house. They should not come in when a vote is being taken. I am making these observations before the decision is announced, because on one occasion some people were told that if they had any observations to make they should have been made before the result of the vote was announced.

Mr. SPEAKER: That is correct.

Mr. WEIR (Macdonald): May I say that I was advised of the slip the right hon. leader of the opposition made, and in consequence I did not vote.

Mr. PERRAS: I wish to mention that the hon. member for Inverness (Mr. Macdougall) came in during the vote, and voted.

Mr. GARLAND (Bow River): Mr. Speaker, may I draw your attention to the fact that all this discussion is out of order, because

parliament is not required to observe pairs, nor under the rules are they recognized in any way.

Mr. MANION: I was paired with the hon. member for Ottawa (Mr. Chevrier). Had I voted I would have voted to sustain the Speaker's ruling.

Mr. GERSHAW: I was paired with the hon. member for London (Mr. White). Had I voted I would have voted against the Speaker's ruling.

Mr. YOUNG: I was paired with the hon. member for South Renfrew (Mr. Maloney). Had I voted I would have voted against the Speaker's ruling.

Mr. BARBER: I was paired with the hon. member for Humboldt (Mr. Totzke). Had I voted I would have voted to sustain the Speaker's ruling.

Mr. BOTHWELL: I was paired with the hon. member for Hastings-Peterborough (Mr. Embury). Had I voted I would have voted against the Speaker's ruling.

Mr. BERTRAND: I was paired with the hon. member for Toronto North East (Mr. Baker). Had I voted I would have voted against the Speaker's ruling.

Mr. BROWN: I was paired with the hon. member for Souris (Mr. Willis). Had I voted I would have voted against the Speaker's ruling.

Mr. ELLIOTT: I was paired with the hon. member for South Waterloo (Mr. Edwards). Had I voted I would have voted against the Speaker's ruling.

Mr. LUCAS: I was paired with the hon. member for Brome-Missisquoi (Mr. Pickel). Had I voted I would have voted against the Speaker's ruling.

Mr. BOUCHARD: I was paired with the hon. member for Welland (Mr. Pettit). Had I voted I would have voted against the Speaker's ruling.

Mr. McKENZIE (Assiniboia): I was paired with the hon. member for Durham (Mr. Bowen). Had I voted I would have voted against the Speaker's ruling.

Mr. McINTOSH: I was paired with the hon. member for Winnipeg South Centre (Mr. Kennedy). Had I voted I would have voted against your decision, Mr. Speaker.

Mr. SPEAKMAN: I was paired with the hon. member for Lincoln (Mr. Chaplin). Had I voted, with regret I would have voted against your ruling.

Mr. HOWDEN: I was paired with the hon. member for Marquette (Mr. Mullins). Had I voted I would have voted against the Speaker's ruling.

Mr. STEWART (Edmonton): I was paired with the Minister of the Interior (Mr. Murphy). Had I voted I would have voted against your ruling, Mr. Speaker.

Mr. HANBURY: I was paired with the hon. member for West Kootenay (Mr. Esling). Had I voted I would have voted against the Speaker's ruling.

Mr. RHEAUME (Translation): I was paired with the hon. member for Berthier-Maskinongé (Mr. Barrette). Had I voted I would have voted against the Speaker's ruling.

Mr. THAUVETTE (Translation): I was paired with the hon. member for Matane (Mr. Larue). Had I voted I would have voted against the Speaker's ruling.

Mr. RAYMOND (Translation): I was paired with the hon. member for St. Antoine (Mr. Bell). Had I voted I would have voted against the Speaker's ruling.

Mr. FONTAINE (Translation): I was paired with the hon. member for Jacques Cartier (Mr. Laurin). Had I voted I would have voted against the Speaker's ruling.

Mr. BRADETTE (Translation): I was paired with the hon. member for Algoma East (Mr. Nicholson). Had I voted I would have voted against the Speaker's ruling.

Mr. DUGUAY (Translation): I was paired with the hon. member for Bagot (Mr. Dumaine). Had I voted I would have voted to sustain the Speaker's ruling.

Mr. DUPRE (Translation): I was paired with the hon. member for Joliette (Mr. Ferland). Had I voted I would have voted to sustain the Speaker's ruling.

Mr. FAFARD (Translation): I was paired with the hon. member for Levis (Mr. Fortin). Had I voted I would have voted against the Speaker's ruling.

Main motion agreed to.

PRIVATE BILLS

FIRST READINGS—SENATE BILLS

Bill No. 73 for the relief of Aziz Koudsy, otherwise known as Eddie Coudsy.—Mr. Gray.

Bill No. 74 for the relief of Marjorie Seymour Hammond Zavitz.—Mr. Bell (St. Antoine).

Bill No. 75 for the relief of Lucille Margaret Turbin Kelly.—Mr. Duff (for Mr. Vallance).

Bill No. 76 for the relief of Esther Liverman Kazenel.—Mr. Lawson.

PROVINCIAL FINANCING IN LONDON

On the orders of the day:

Hon. IAN MACKENZIE (Vancouver Centre): I should like to ask the hon. Minister of Finance what is the policy in general of the federal government in regard to permitting any of the provincial governments to enter the British financial market for refunding purposes?

Hon. E. N. RHODES (Minister of Finance): Mr. Speaker, my hon. friend from Vancouver Centre (Mr. Mackenzie) will realize, I am sure, that the question of what issues should be placed on the British market is one for the British authorities. As far as I am aware there have been no representations made on the subject to the Canadian government, but I shall be happy to direct the attention of my right hon. leader who is Minister of External Affairs to the question for any further answer, which may be given on Monday.

Mr. MACKENZIE (Vancouver): Thank you.

MARKETING ACT

ORGANIZATION TO IMPROVE METHODS AND PRACTICES IN MARKETING NATURAL PRODUCTS

The house resumed from Wednesday, May 2, consideration in committee of Bill No. 51, to improve the methods and practices of marketing of natural products in Canada and in export trade, and to make further provisions in connection therewith—Mr. Weir (Melfort)—Mr. Smith (Cumberland) in the chair.

On section 1—Short title.

Mr. MOORE (Ontario): Mr. Chairman, when the committee rose last, you will recall that I was discussing a monopoly of food products in Holland. Perhaps some explanation is necessary again as to why I went so far afield.

The Minister of Finance (Mr. Rhodes) brought down the budget the other day, and I thought he made a very creditable showing under the circumstances. You will recall, sir, that he spoke of the increase in commodity prices. It is unnecessary to repeat what he then said as to the increase that had taken place in the price of wheat, in the price of cattle and in the price of bacon hogs. He also gave us some very interesting statistics as to the increase of our export trade. If I remember correctly he said that we had had

an average increase of around twenty per cent, and I felt that the minister was an apostle of cheer. Then the Minister of Trade and Commerce and the Minister of Agriculture assured us that we ought to follow the world's trend. The Minister of Trade and Commerce assured us that we were in a new era, that all the world had commenced to regulate marketing by compulsory pools such as are contemplated by this bill. This morning I received, as did most hon. members, a monthly summary of the League of Nations, and on page 45 I find this question asked:

Whether there are any signs of recovery in world trade?

To this the answer is:

The total value of world trade has not diminished as much in 1933 as in previous years. Nevertheless it has continued to diminish by comparison with the corresponding figures of 1932, with the exception of a single month in which an improvement was shown in 1933 as compared with the previous year.

The other day the Minister of Agriculture (Mr. Weir) rapped me somewhat gently by stating that I had said that certain failures had occurred in connection with certain acts of a similar nature which had been passed in other countries. That was not my intention. I intended to give a general survey or summary of the legislation of this nature which had been passed throughout the world. The minister has better facilities than I to obtain this information. I advise the minister quite frankly to state now that the illustrations I gave were not always comparable to this legislation. I admit that very frankly. The minister knows just as I do that it is very difficult to distinguish among all these schemes. As he has very properly said, there are different conditions in the different countries. It is also necessary to distinguish among the crops of the various countries, whether they be deficiency or surplus crops. When the committee rose I was speaking of conditions in Holland and I should like to continue where I left off.

I was referring to the compulsory reduction in the hog population of that country. It will be recalled that the compulsory pool began with a population of 2,735,000; it was reduced to 2,000,000 and then finally to 1,800,000. Just how that was done furnishes an interesting side light on how these marketing bills work out. When a litter of pigs is born in Holland it is necessary for the farmer to buy a litter of tags. That was the best way discovered by the Dutch government of regulating production and conducting a hog marketing compulsory pool. The minister has stated that one of the objects of this bill is the elimination of waste and the reduction of costs between production and consumption. These compulsory pools bring about an increase in waste and cost. In order to administer the act in Holland it has been found necessary to have inspectors in every district, men who will keep in touch with production and prices. I regret to say that it is also necessary to have an army of informers to report violations of the act.

The same condition applies to another pool in Holland known as the Dairy Crisis Central, which was established in June, 1932. I should like to have some information from the minister in connection with that pool. Its object was the usual one, that of raising prices to correspond with the cost of production. But what was the result? Naturally, the first result was an increase in prices and I assume the producers were very happy. But the next result was a decrease in the consumption of dairy products. The poor people had to live and probably without thinking they followed the law of necessity and turned to the consumption of other edible fats. What did the government do then? It taxed other edible fats. The government then insisted that milk fats should be mixed with oleomargarine. They had to provide for the consumption of milk. Thus it goes from one step to another. I should like the minister to tell me if I am right. I observe from the press, I think the London Economist, that they have recently passed a law prohibiting people from growing fruits and vegetables in their own gardens. From one step to another in order to make a monopoly successful.

I should like to draw the attention of the minister to conditions in Roumania. An agricultural marketing act was passed in 1931 which gave a syndicate control over the whole grain marketing system. Those who are interested in this bill might obtain some very significant information from what happened in that country. That act was abolished within a month because a new government came into office. The new government decided upon an entirely different system but it was still a marketing monopoly. They made provision for a national agricultural trading company, a union of cereal exporters, a millers' central office and a millers' syndicate. The provisions worked out in the usual way. A tax was placed on bread but the bakers felt that they could not absorb that tax. The mayors of the municipalities, rather than have the people starve, passed laws that the price of bread should not be increased. There was then a strike of the bakers and the government finally was forced

to have the military bake-shops take over the making of bread. There were abuses by the producers who were to secure these export benefits. Rye was mixed with wheat and other abuses occurred. The government finally ran out of money and the monopoly was abolished on April 22, 1932.

The minister could secure some very valuable information from Italy. That country has gone in for producers monopolies. I do not intend to run over the whole list but I would point out to the minister the difficulties which have arisen in connection with the rice monopoly. In that case there were the usual results, increased prices at first, then decreased consumption and finally the necessity of decreasing the acreage. The Italian government is faced with the problem of how to bring about that reduction, whether it shall be a flat reduction in acreage or the putting of the least fertile lands out of commission and preventing the least competent farmers from growing rice. That is a very live issue in Italy to-day. The same conditions exist in Spain. In November, 1927, the government formed a syndicate or cooperative group of producers of rice. That group had very much the same powers contemplated by this bill. At first the legislation applied only to the growers of rice within certain provinces. In 1929 it was found necessary to make it compulsory on all rice growers and on March 6, 1930 it was abolished. The minister will remember that I am simply trying to cover a vast territory as quickly as possible and therefore I can give very little detail. I would have him bear in mind the position of Switzerland. There was a wheat marketing monopoly in Switzerland, beginning in 1915—a long while ago, practically at the outset of the war. It ran along until 1929. There were objections from both producers and consumers alike. Now, the Minister of Justice knows that Switzerland is a very democratic country, in some respects the most democratic in the world. They had a system of referendum and they took one as to whether their marketing monopoly should continue or not, and on March 3, 1929 the people of Switzerland voted upon the subject and decided upon the repeal of that marketing monopoly.

Let me now take the minister to Hungary, where there is a cooperative society called the Futura. It is supposed to deal with all agricultural products, and it dealt particularly with wheat. It has had a chequered career, and, so far as I know, it is still in existence; but the last word that I can find of it is that the money collected for the purpose of being given to the producers had to be used to buy food for people who were starving.

It seems a long way from the wheat fields of the Saskatchewan to the cotton fields of the Nile, but in both places there are people who seem to think that there is magic. The Egyptians are noted for their magic. They tried to repeal the law of supply and demand some time ago—in 1921—because they believed it was a shibboleth. What happened? They began to sustain the cotton market, buying cotton, and the price went down and down so that in 1931 the condition became so bad that the international federation of cotton spinners and manufacturers went to the government. I should like to have the evidence of what took place at that interview. Presumably the buyers of cotton said, "The price is going down because of the supplies you are holding over the market; you have a market monopoly." But whatever took place, in 1931 the Egyptian government gave up the idea of destroying supply and demand by legislative magic and announced that it was out of the market. It had had enough of marketing legislation. There is still a problem, because in May, 1932, the government held 387,000 bales of cotton and was afraid to sell it.

In Jugoslavia there was partial control of wheat and rye from May, 1930, but that was not satisfactory. In June, 1931, provision was made for a monopoly. In March, 1932, after only a few months' experience, the idea of monopoly control was abandoned.

I wonder whether it is necessary to go on. It seems to me I have fairly well outlined the field which the minister ought to investigate before this legislation is passed, the field which he ought to investigate before we are asked to help to turn this bill into a workable act. If the principle is wrong then it seems to me idle for us to attempt to amend it in this respect or in that respect. I should like however to give just a little explanation, entirely gratuitous, of the vote so far as one section of this house is concerned. I have an idea that my friends, and some of them are my very good friends, who sit at my left, are quietly chuckling. They know that once the government has passed this legislation it must go on.

Mr. GARLAND (Bow River): Hear, hear.

Mr. MOORE (Ontario): I am glad they agree with the position I take.

Mr. GARLAND (Bow River): That is, if it is to succeed.

Mr. MOORE (Ontario): In Uruguay they had marketing monopoly legislation, and that

was succeeded in the cattle industry by nationalization of that industry. And that, of course, is the final step, complete socialization.

Let me say to the minister that there are certain fallacies that appear to me to be obvious, and I really expect my friends at my left to agree with me. One is that increasing the prices of food products will increase purchasing power. Now, anything that is spent for food is simply taking from one set of poor men and giving to another set of poor men; it does not increase purchasing power in the aggregate. I wish also to bring home to the minister very strongly this fact, that although the first result of legislation of this sort is to increase unit prices the final result is to decrease them. I think I shall be able to prove that; I am going to try.

Just at the present time we are all very pleased that there has been an increase in the price of hogs. Reading the market pages of the London Economist I find that Meadow Dairies last year dropped £86,000 net profit, and Home and Colonial Stores suffered a fall in profits of £150,000, directly attributable, according to the chairman of the latter company, to a shrinkage in consumption of bacon. Sir Joseph Martin says:

"If present restrictionist policy is continued it may cut out the use of bacon as an article of food in many households. 'The public,' Sir Joseph added, 'who are after all pretty shrewd in their judgment, do not hesitate to buy what in their judgment offers the best value, and have no hesitation in substituting one article for another in budgeting for their household requirements'."

I would also have the committee bear in mind that an increase in the unit price does not necessarily mean a benefit in the aggregate, because as you restrict production you naturaly increase the unit cost of production. I could give many an illustration, but the other day I saw a very neat one relating to the tin industry. It was given by Mr. Frisby of the Pahang Consolidated Company, reported in the London Economist of November 25, 1933. He said:

"We could easily produce monthly ten thousand tons of our Willinks ore, which would give us three hundred tons of tin-oxide per month and make a profit of £100,000—that is with tin at £100 and not £230 as it is now."

Mr. Frisby added: "Alluvial companies in the Malay States can supply the whole world with all the tin it wants, with tin at £100 and make a good profit."

I know of no better illustration, at least none more authentic as to the result of the economics of scarcity. I want to go further. I am afraid that the minister will not accept me as an authority, so I want to take some one that he probably will accept in this matter. I have here a publication of the Empire Economic Union. I doubted that I would find in it anything that was helpful. I was brought up in rather a sturdy school that believed in autonomy, and I have been a little afraid of empire federation and economic unions and things of that sort. Mr. Amery is the president of this organization, and he has written the preface; he says that there is no more important or urgent issue in the whole field of economic policy than the matter with which he is dealing. So I want the minister to listen to what he says. It bears directly upon price. It will show the minister that sometimes by attempting to increase prices, particularly if you do it by artificial methods, you have the unfortunate result of decreasing them. The union goes on to report:

[Mr. W. H. Moore.]

It is important to realise that both in respect of primary products and manufactured articles planning from above by the state may fail through changes in the public taste, and also through the fact that one class of article may be substituted for another when the price difference between them is unusually widened or narrowed.

Now may I just pause in the middle of that paragraph to make a remark, if my hon. friends to the left will allow me while they are having a quiet chuckle. In this bill you have provided for producers' monopolies, but you have not provided, as far as I can see, for any common centre of exchange of goods between the monopolies. You have fallen, I would say, into the old time error of the syndicalist school. If you go on you must follow the practice or recommendations of the guild socialists and provide for a centre of exchange. The report continues with examples:

For example the consumption of beef and mutton on the one hand, and bacon on the other, may be very largely influenced by the price differences between comparable qualities, and the same is even truer in the case of butter and margarine. At times when butter is very dear the output of margarine is likely to rise sharply; on the other hand when butter is very cheap the consumption of margarine may be reduced enormously. It is interesting to note that there is believed to be a close relationship between the price of cheese and the price of bacon. We have been informed that when bacon is dear in relation to cheese there is a considerable substitution of cheese for bacon. These considerations show that when the system of quantitative control is adopted for the purpose of raising the price of certain commodities it may fail partially because consumption will be directed towards other commodities.

The report continues:

In addition to the general inherent difficulties described above there are a variety of adminis-

trative and political difficulties which call for consideration.

I would have the committee remember that Mr. Amery and his colleagues have come to this conclusion after experience with the agricultural marketing act of Great Britain. It is probably too soon to say that it has failed. They say in this report that it has not succeeded. They are disappointed. The report continues:

The difficulties are serious even if the quantitative control of imports stands by itself and is not accompanied by an internal control of home production and consumption.

I would have the minister remember that nearly everything Mr. Amery and his colleagues say of imports is equally true of exports.

If the control is effected by voluntary arrangements, such as those made at the end of 1932 with certain importing firms, the government becomes involved in commercial negotiations of a kind that have a very direct influence on the prosperity of the firms concerned, with ultimate results affecting adversely the efficiency of those firms, and with the risk of an increase of corruption in public life.

The minister may not be prepared to take even Mr. Amery's word, so I am going to give one that he will be obliged to take. I am going to quote Mr. Stevens. Mr. Stevens is probably the most important publisher of economic literature in Canada. And I must say that as a publisher he is one of my favourites. I am going to ask the minister to turn to page 678 of Volume L-No. 1578 of the Commercial Intelligence Journal, the issue of April 28, 1934. This is a report written by Mr. Wilson, who is the animal products trade commissioner for the United Kingdom. Surely he is an authority. I cannot think of a better one. Mr. Wilson is writing now on butter, and he says:

To a great extent the weakness in the market was traceable to the absence of anxiety on the part of large buyers and distributors as to the likelihood of a shortage of supplies or of higher prices—a condition resulting from the policy of regular weekly consignments in great volume and fairly uniform from week to week.

In the circumstances, there was little, if any, necessity for United Kingdom buyers assuming the cost of carrying their own stocks; they preferred rather that the shipper should do that. The summary of the position was the limited percentage of forward purchasing or speculation, which have their place in maintaining the strength of the market.

Then listen to this:

It is a pronounced instance of the results that follow organized selling on an extensive scale by the producers.

Could anything be clearer?

—in that it promotes organized buying on a similar scale or what is equally effective in the buyers' interest, taking their supplies from spot stocks weekly, semi-weekly or even daily, and at the prevailing market price at the time, or if a low price opportunity offers, rapidly picking up a huge block of butter and subsequently remaining out of the buying market for a period. The price may rise temporarily as a result of purchases of this kind, but the inactivity of some of the big buyers over a period of a few weeks invariably results in a downward swing of prices.

Could anything be plainer? We have to look ahead. I know the minister has investigated this matter, but it seems to me he ought to have his investigations printed for us so that we might follow his arguments. With the information I have at present I must say the thing is incomprehensible.

While I have Mr. Stevens' publication before me I want to refer to another matter. We are rather well thought of in Great Britain because we have not had these marketing monopolies. I am going to prove that statement from Mr. Stevens' publication. The same writer, Mr. Wilson, in the same article but speaking of cheese, has this to say:

The freedom of trading that has obtained in connection with Canadian products, in contrast to that which has developed with most of the other exporting countries, is a factor that is appreciated in the United Kingdom, and assists very materially in maintaining and developing goodwill.

I mentioned that subject when I spoke on the principle of the bill, and I think it was the hon. member for Dauphin who said he could not follow me. I am sorry, because I like the hon. member for Dauphin and I would like to follow him in that matter, but surely both of us can follow the report of our own commissioner, who is a trained man on the ground and who reports on these matters, and when we follow him we ought to follow his advice.

Now I want to return to Mr. Amery and his publication, and this is something that has a wider bearing. He comes now to discuss the principles of socialism; the report says:

During the lifetime of the socialist government there was considerable discussion of bulk purchase by import boards. Though there was at no time any very clear definition of the manner in which the policy would be carried out, obviously it visualies that the whole supplies of certain commodities would be purchased either by a department of state or by some statutory corporation created for the purpose.

I presume the same argument that follows applies to selling as well as to buying. The report continues:

We see obvious objections to bulk purchase by the state or by some statutory body created for the purpose by the state. Under such a system every purchase might raise a diplomatic issue and, accordingly, give rise to controversy with foreign and even with empire governments. The subsequent distribution of the commodities bought in bulk might easily lead to serious internal political difficulties and there might be grave financial risks to the state arising out of the popular pressure for goods to be sold at a rate below the proper economic price.

Now, Mr. Chairman, I am going to stop to remind the committee that this report is published by the Empire Economic Union; it is not a statement by the hon. member for Weyburn or by myself. The report continues:

In addition bulk purchase might have a serious effect on world prices.

Now see the implication, as far as it affects this bill. The report goes on:

The establishment of the federal farm board in the United States of America and the existence of the wheat pool in Canada both appear to have had this effect. The knowledge that these two bodies were holding great quantities of wheat made all dealers in wheat nervous, as they could never be certain when heavy unloading would take place. The view is widely held that when large stocks in the hands of a few are hanging over the market, there must inevitably be a depressing effect on prices.

I know these matters are controversial, but after all this should not be a time for speculation; we ought to know. We ought to have the evidence, and we should not go on until we do know. There is another feature with which the report of the union deals, and I am glad it does so. It has to do with a matter to which I have given very serious study, and that is what happens when a mistake is made in big business, when one man, be he the head of a marketing board or the head of a great industrial concern, makes a mistake. That is what you will have to consider when you have centralized marketing. The report goes on to deal with that very question:

There is a general objection to unified purchase of any commodity by the government or any publicly controlled body.

Again I repeat that the argument applies to sale as well as to purchase.

It demonstrated itself very clearly during the war, when this method was employed for wheat, sugar and many other commodities. The objection arises through the fallibility of human judgment. Members of purchasing boards have to make up their minds from time to time as to the market position of any commodity, and have to come to their conclusions; however ably they may be composed, their number is obviously limited, and their judgment, however intelligently informed, may be mistaken. For instance, if a board makes up its mind that wheat is going to rise in price and purchases the entire requirements of a country on this basis while events prove that world markets instead of rising, fall, the error of judgment is transferred on a huge scale and involves enormous sums. With the present practice, there are many individual buyers—

[Mr. W. H. Moore.]

Or sellers, I may add.

—some will take one view and some the opposite, and which ever is right or wrong some kind of average result which is not so far from the actual truth will be arrived at, and therefore the amount of error in either direction will never become of an extravagant nature.

Had I time I think I could show that this is one of the reasons why we have the depth of our agricultural depression to-day. We have had these monopoly boards, these producers' boards, with compulsory cooperation in marketing, so generally throughout the world that the world now lags behind us in recovery, because we better preserved our competitive spirit.

There is another fallacy to which I should like to refer. I have heard it said that now the producers are to have control of their own produce. Well, could there be any greater fallacy than that? The dominion marketing board will not produce; it is the farmer who produces, and he is to lose control and to be deprived of the right to exercise his business judgment. I am not saying this measure deprives him; as I am aware, this is an enabling measure, but it will enable some producers—the majority if you like—to deprive him of the exercise of his business judgment. He is to become the ward of the state. What is left to him? If he cannot sell the product of his toil? What has he left? Of course he may have his land and his debts, but he has lost his credit. By this measure you are taking his credit from him. That has followed legislation of this kind which has been enacted in Europe.

I see some hon. gentlemen—and I believe they are all sitting opposite—who I fancy have money to loan. Oh, I see one on this side, too. Would any one of you loan money to a man who could not dispose of his product? I have no desire to enter into a credit controversy. We have had several of them lately. But I must ask: Who would lend money over a period of time to a man who, you knew, might not be able to dispose of his product? He could not borrow on his business judgment, because that is taken out of his hands. He has his land, and he works.

The other day one of my friends to my left said that the wheat farmers in the west were becoming peasants. Well, I do not wish to exaggerate, but I must say that in this legislation I can see nothing but serfdom. We had it years ago, and we are going back not to the nineteenth century but back to the days of monopolies, to the days which men rightly or wrongly called the Dark Ages. This bill is not without support from the big interests. They have their monopolies, and we have on our statute books legislation against monopolies. I should like to ask the minister if he will keep that legislation on the statute books once we pass this bill. Can you put one set of men in prison because they are operating a monopoly and another set in prison because of competition? Surely we should do more than simply discuss the details of this bill clause by clause. We should consider all its implications. I can think of the support which this bill will receive from some of my friends who are engaged in monopolies, and I am reminded of the invitation the spider gave to the fly, particularly when in the bill we have a provision in regard to shutting out competition from foreign lands.

I have gone on longer than I had intended, but I wish to say simply this, that although I should have liked to help in framing this bill, I have no heart for the job. I am opposed to the principle. I have an idea that the bill cannot be properly framed either by Conservatives or by Liberals. It is a socialist bill, and I would turn it over to the socialists. I have no heart for lighting a crucible, moulding men, and destroying individuality. I have no heart for that sort of thing in an economic way any more than in a national way. I plead with the government to hesitate, to consider and to ask themselves in view of the fact that we are pulling out of the depression if it is necessary to sacrifice the economic and social life of this country.

Mr. WEIR (Melfort): We have all followed with keen interest the remarks of the hon. member for Ontario, and although he has spoken at such length the nature of his observations was so interesting that we did not feel he had spoken so long. He has taken us over a great territory, speaking geographically, and over a long time and many different conditions. He has given us clear evidence of the intensive study he has made of the many different marketing acts and marketing monopolies throughout the great proportion of the countries of the world, including Holland, Bulgaria, a side trip to Egypt, Queensland, Australia, Denmark, the United Kingdom and the cotton and wheat fields of the United States. My objection is however that although he has given so much study to the marketing legislation of those countries he has not paid us the compliment of giving the same study to this bill.

There is nothing in this legislation to indicate—certainly that is not its chief aim—that the producer shall have a monopoly of the production of any commodity. One point I have attempted to make clear on each occasion I have spoken, is my attitude towards cooperative marketing as distinguished from a monopoly. When speaking in Toronto in November last before a committee representative of all the great cooperatives throughout Canada, I made it clear that I thought there should be no monopoly, but that we required what have been called private interests. Of course many so-called private interests could almost be called public interests, because the identity of private individuals and enterprises has been merged with that of large combinations and monoplies. But taking the term private interests as it is used, may I say that I believe we will require the competition of private interests with the cooperative enterprise, the one to be the standard and measuring stick of the other.

Mr. MOORE (Ontario): I hesitate to interrupt the minister who was so kind to me, but I should like to have the matter straight. Does not this bill imply compulsory cooperation? I am opposed to its compulsory features. If you say that there is no compulsion, that it is purely voluntary, then naturally I withdraw my objections. I am for cooperation.

Mr. WEIR (Melfort): The fundamental principle of the bill is to enable producers to organize to any extent they see fit, for the regulation of the buying and selling and flow of their products going on the market. They are free to form a cooperative unit to market through any channel of trade, and in this bill we are taking power to make certain that that channel of trade will be free from any artificial interference or mechanical obstacle that depresses prices. For instance, as things now are, prices will be depressed until commodities flow on to the market in very large quantities, and then by artificial means there will be a rise in prices so that those who have made no contribution to the production will receive remuneration altogether out of

proportion to what they should receive. That is one feature of the bill which I think has been entirely overlooked.

Mr. YOUNG: The minister did not answer the question of my hon. friend from Ontario.

Mr. WEIR (Melfort): It depends probably on the intelligence of the hon. member for Ontario rather than on the intelligence of the hon. member for Weyburn as to whether or not I gave a satisfactory answer.

Mr. MOORE (Ontario): If it is a matter of intelligence, Mr. Chairman, I am afraid that I did not understand the minister's answer. I must go into the box with the hon. member for Weyburn.

Mr. WEIR (Melfort): My statement, Mr. Chairman, was this, that if the hon. member for Ontario did not consider that I answered his question he is the only member in the house I think who could make that statement.

Some hon. MEMBERS: No, no.

Mr. STEWART (Edmonton): We must all be dense, then.

Mr. YOUNG: Nobody understood it.

Mr. WEIR (Melfort): Then I am afraid all the members are a little dense.

Mr. MOORE (Ontario): May I put it plainly, Mr. Chairman? I asked the minister through you if this bill involves compulsory cooperative marketing.

Mr. WEIR (Melfort): We will go back to where we were. My statement was this, that the only member of this committee who can tell whether or not I answered the question asked by the hon. member for Ontario is the hon. member for Ontario. I think that is a fair statement. If there are hon. members opposite like the hon. member for West Edmonton who by his interruption evidently feels that he is better qualified or just as well qualified to answer the question to which the hon. member for Ontario has received a satisfactory answer—

Mr. STEWART (Edmonton): I resent that remark, Mr. Chairman. I never intended any such thing as the minister implies. I merely stated that I did not understand the answer which the minister gave to the question asked by the hon. member for Ontario.

Mr. WEIR (Melfort): I was referring to the hon. member for Ontario's understanding of my answer. He has asked this question: Does not this bill imply compulsory cooperative marketing?

Mr. MOORE (Ontario): Enable compulsory cooperative marketing.

[Mr. R. Weir.]

Mr. WEIR (Melfort): I understood my hon. friend to use the word imply.

Mr. MOORE (Ontario): Enable. If I used the word imply I will substitute the word enable, if I may—enable compulsory cooperative marketing.

Mr. POWER: It says so clearly.

Mr. WEIR (Melfort): In what respect does it say so clearly? Read the clause. I have no desire to evade answering any question that is asked, but surely I can answer only one question at a time.

Mr. YOUNG: We should be very glad if the minister would answer one at a time.

Mr. WEIR (Melfort): If the hon. member would really be glad to have the questions answered one at a time he should not put other questions to prevent one being answered. My hon. friend from Weyburn seems to be very well versed in the matter. Will he state what was the question that was asked?

The fundamental principle of this bill, Mr. Chairman, is to give the producer assistance and the power, when his desire is expressed through an organization of producers, to control the rate of flow at which his products will go on the market, and the channel through which they shall go, and the manner in which they shall be marketed. It is entirely up to the producers themselves, so far as that part of the bill is concerned.

There is no use building up hypothetical schemes because we do not know what the suggestions of the producers will be, or what plans they may put forward. But what this bill does is to offer cooperation on the part of the government, either the provincial government if the scheme is submitted to the provincial government, or on the part of the federal government, in assisting a representative body of producers to carry out the scheme which they themselves submit believing that it is in the interests of the marketing of their products. I feel that there is no person who is better qualified to do that than the producers themselves. We advocate individualism for our producers, but they are not living in a world of individual competition. They are not living in the same world that existed when very many of the marketing acts to which my hon. friend from Ontario has referred were in operation, and they are not applicable to the present circumstances. For instance, the hon. member has stated that a system such as this will destroy the credit of the farmer, that it will make it more difficult for him to borrow. I take the other

stand, that the bankers and the mortgage companies being business men, as we believe them to be, measure the credit that they can give to any producer according to the possibility of his being able to obtain a stable price over a period for the article that he produces. I have in mind a number of instances, but I shall give only one. It is that of a farmer who homesteaded his farm and whose bank statement four years ago was in the neighbourhood of ninety to a hundred thousand dollars. He had engaged in no business so far as I know but farming. He was an individual producing and marketing his own products, and I know that he could not borrow money enough from the bank to buy a carload of cattle in the fall to feed through the winter for marketing in the spring, although he had lived within a short distance of this bank for years, and was known by everyone as a successful farmer and a successful live stock man. I do not see how any system of cooperation among farmers for the regulating of the flow of their products to market could in any way make matters worse than that, but I believe that this same bank, if the farmers were organized to control the flow of their products to market so that there would be a more reasonable expectation of a stabilized price, would be prepared to advance money more freely than under present conditions. Therefore, I feel that there is no sound reason in that argument to apply the principle in general. Numerous examples could be given of similar conditions existing. The hon. member read at some length from the report of Mr. W. A. Wilson. I have not read that report but I gather from what he said that it was the organized marketing which had been undertaken in Great Britain which gave assurance to the speculators or purchasers that a steady flow of products would come on the market and thereby there was a tendency to depress prices because there was no worry on the part of purchasers that this flow of products would go forward.

Mr. MOORE (Ontario): I suggest that the minister read the report.

Mr. WEIR (Melfort): I shall do so. I am quite certain that the impression the hon. member wished to give was that it was because there was no worry on the part of these people that products would come forward as a result of the organized marketing system in the United Kingdom—

Mr. MOORE (Ontario): And elsewhere.

Mr. WEIR (Melfort): And elsewhere. They were not on the market to purchase the live stock coming on the market. That is the opinion of one gentleman, Mr. Wilson. On the other hand, we have the opinion of an eminent member of the British House, Major Elliott, Minister of Agriculture and Fisheries. That gentleman is perhaps the strongest advocate we have of organized producer control and marketing. I feel that I am within the bounds of fair estimate when I say that Major Elliott's opinion is worth as much as the opinion of Mr. Wilson.

Mr. MOTHERWELL: I doubt it very much.

Mr. WEIR (Melfort): The hon. member for Melville (Mr. Motherwell) doubts that very much. Hogs were referred to in the statement which was made. I doubt if there is a producer of hogs in the United Kingdom or anyone who has given much consideration to this particular problem who will not admit that the steps which were taken to have more orderly marketing and shut out over supply has increased the price of hogs, not only in the United Kingdom but in this country. This is not because there is freedom for all hogs to go on the market as there was in the past but because there is control of the number of hogs permitted to be sold. I know the hon. member for Ontario will admit that he believes that the final or ultimate result of this will be a still lower price for hogs than the price obtained before control.

Mr. MOORE (Ontario): The minister says that I will probably admit the statement he has made just now but I ask him to recall that after the act was passed in Great Britain there was such an alternate condition of shortages and gluts in bacon hogs, that is between hog meat and bacon hogs, that the government had to go to the relief of the curers.

Mr. WEIR (Melfort): There was some disturbance of trade in the United Kingdom immediately after the passing of the act. This was to be expected as it took some months after the quota system was in force before any results were obtained. One reason for this is the fact that the countries exporting into the United Kingdom anticipated that their goods would be shut out on a certain day and they threw more of their products on the market than they otherwise would have done. I have only a few minutes before I shall ask the committee to rise and I should like to put on record a statement as a reply to that made by the hon. member for Ontario. The hon. member made many references to the different marketing acts. He dealt at some length with the results of

the application of this thing in Queensland. I think he will agree with me that conditions in Queensland are perhaps more similar to conditions in Canada than the conditions in any other country to which reference was made.

Mr. MOORE (Ontario): I referred to New South Wales. I made very scant reference to conditions in Queensland as they are quite different from conditions here. For instance, their wheat is under balance and under equilibrium; most of the things regulated in Queensland are consumed there, with the exception possibly of sugar.

Mr. WEIR (Melfort): Evidently that was the reason the hon. member omitted to deal with Queensland. As I stated before, he was attempting to build up his own argument.

Mr. MOORE (Ontario): I must object to that. I referred to Queensland when I spoke on the principle of the bill but the second time I spoke I said I would not refer to Queensland because I had taken it up on the first occasion.

Mr. WEIR (Melfort): Queensland was perhaps the pioneer state in this system of co-operative marketing and I think it only fair that I should put on record the report of the director of marketing of Queensland for the year ended June 30, 1932. It reads:

> In accordance with the provisions of "The Primary Producers' Organization and Marketing Acts, 1926 to 1930," I have the honour to submit herewith a report of the operations of the pools that have been constituted in relation to the various commodities under the acts.

I am putting this on record because Queensland has had sufficient time in which to try out various methods of marketing and to discover some of the weaknesses which may arise. The report continues:

> The last annual report indicated fourteen products that had been declared commodities and had been brought under the system of controlled marketing. The pools constituted in respect to these commodities still continue to function, the pools now operating being as under:
>
> Arrowroot, constituted in 1922 without any opposition;
>
> Atherton maize, constituted in 1923 without any opposition;
>
> Barley, constituted in 1930 by an 81 per cent majority;
>
> Broom millet, constituted in 1926 without any opposition; renewed in 1929 without any opposition, and again without opposition in 1931;
>
> Butter, constituted in 1925 by a 75 per cent majority; renewed in 1928 without any opposition; renewed in 1931 without any opposition;
>
> Canary seed, constituted in 1926 by a 75 per cent majority; renewed in 1930 without any opposition;
>
> Cheese, constituted in 1923 by a 91 per cent majority; renewed in 1925 without any opposition; renewed in 1927 without any opposition; renewed in 1930 without any opposition;
>
> Cotton, constituted in 1926 without any opposition; renewed in 1931 without any opposition;
>
> Eggs, constituted in 1923 by a 87 per cent majority; renewed in 1925 by a 73 per cent majority; renewed in 1926 by a 66¾ per cent majority; renewed in 1929 by a 70 per cent majority;
>
> Fruit, committee of direction of fruit marketing, constituted under special legislation in 1923 for a period of three years. The act provided for a bollot being taken at the end of the three-year period in the event of 500 growers demanding such ballot, but until 1929 no such petition was received. The continuance of the committee of direction of fruit marketing for a further period of five years was affirmed by the growers in December, 1929, by an 87 per cent majority;
>
> Honey, constituted in 1929 without any opposition;
>
> Northern pigs, constituted in 1923 without any opposition; renewed in 1926 without any opposition; renewed in 1931 by a 56 per cent majority;
>
> Peanuts, constituted in 1924 without any opposition; renewed in 1925 without any opposition; renewed in 1926 by a 90 per cent majority; renewed in 1930 by an 85 per cent majority;
>
> Wheat (under the wheat pool acts), established in 1921 by a 97½ per cent majority; extended in 1924 by an 89 per cent majority; extended in 1928 without any opposition.

This is the pioneer district in cooperative marketing. There is no doubt that in regard to some of these commodities the position is pretty much the same as in Queensland, while in others that may not be the case. But the suggestion that these cooperative methods have failed and been discarded for new methods is certainly refuted by experience and by the evidence given here.

Mr. MOORE (Ontario): I dislike interrupting, but I dislike more being misrepresented. I did not say that any of them had been discontinued in Queensland.

Mr. WEIR (Melfort): I did not say that.

Mr. MOORE (Ontario): Everyone knows that they have been a success in Queensland to the thinking of the people there, because production there is in balance. Referring to New South Wales, I said they had not been entirely successful but had been rejected four times—the wheat pool. The minister takes up Queensland. I am grateful for that information, but I should like the minister to give us similar information—and it is readily procurable—in regard to New South Wales.

Mr. WEIR (Melfort): I regret that the hon. member understood me to say that he had said the pools in Queensland had been dispensed with. I did not intend to give that

impression, but rather to point out that the marketing plans that had been set up and tried out—I had reference to Queensland—had not been discarded. And in this case, I feel that conditions are more like conditions in this country than are many that have been quoted by the hon. member. They have proved so successful to the intelligent producers in Queensland that the result is as indicated. I move that the committee rise and report progress and ask leave to sit again.

Mr. MARCIL: Before the motion is put I wish to say a few words. The government having refused to refer the bill to a special committee, before whom the views of leading business men might be obtained, and inasmuch as quotations have been given from a large number of countries, perhaps we might hear something from a leading commercial body in Canada, the Montreal board of trade, who say—

Some hon. MEMBERS: Oh, oh.

Mr. MARCIL: Well, it is one of the leading commercial bodies in Canada. It represents large interests, and points out that there are two principles in this bill which should be carefully considered. The first is coercion and the second compulsion. I quote from a communication which has been received by hon. members:

> It seems to the council that there are two main principles applied in Bill No. 51. First, the granting to a "reasonable number" of those interested in a particular commodity in a special district, the right to coerce the remainder of those so interested. The rights of individuals to control and dispose of their own property and the rights of minorities, have always been jealously guarded under our political and legal systems. The Agricultural Marketing Act of Great Britain, which is said to have served as a model for Bill No. 51, recognizes and respects these two classes of rights. The British act requires not only that the minister of the department satisfy himself as to the reasonableness of any "development" scheme put forward by an interested group, but the whole scheme, together with the evidence upon which the minister has based his judgment, must be laid before both houses of parliament. The most complete publicity is also provided for with regard to these schemes, and in certain cases a system of arbitration is provided for those aggrieved by the acts of the development boards. It is respectfully urged by the council of the board of trade that the rights of minorities and of individuals be accorded the same protection under Bill No. 51 as they receive in the British Agricultural Marketing Act.
>
> The second principle underlying Bill No. 51 is the securing of compensation to those who suffer loss by any action of the proposed marketing boards. This compensation, in the opinion of the council, should be a charge upon all those engaged in the particular trade in which the compensation is awarded. Under no circumstances should the funds of the dominion be used to provide compensation to special interests, or to meet the expenses involved in the operation of the act other than those of administration and the necessary expenses of the dominion marketing board. Each trade, this council believes, should stand on its own feet in the matter of costs involved and in the assistance extended to it.

I will not read much more from this memorandum, addressed to the Prime Minister and to members of both houses, but there is another paragraph which I think is well worth noting:

> The council of the board of trade recognizes that the methods of grading and packing of natural products both for home and overseas and foreign markets, are legitimate subjects for legislation, but at the same time, the council wishes to point out that this field of legislative activity is already adequately covered in so far as many products are concerned, and the gaps could be filled in easily by supplementary legislation.

It seems to me that the opinion of that body is worth considering, and that is, that the chief error the government is committing is in not referring the bill to a committee where leading business men could give us the information which we lack at the present time.

The CHAIRMAN (Mr. Smith, Cumberland): Carried.

Mr. MOTHERWELL: I do not know whether I am in order—

The CHAIRMAN (Mr. Smith, Cumberland): The motion has been carried.

Mr. MOTHERWELL: If the government do not want friendly suggestions, let them go ahead. I simply want this bill to get a show.

Mr. GUTHRIE: There was a motion that the committee rise and report progress, and that is not debatable. It is made in this instance at the request of the minister who has an appointment which he must keep and therefore desires to leave.

Mr. MOTHERWELL: A motion that the committtee rise defeats the bill.

Mr. GUTHRIE: And report progress.

Mr. MOTHERWELL: You have surely got enough in this committee; you should be glad to get it to the agriculture committee.

Progress reported.

CIVIL SERVICE

SALARY DEDUCTION ACT—RESTORATION OF TEN PER CENT CUT TO EMPLOYEES RECEIVING $1,000 OR LESS

The house resumed from Thursday, May 3, consideration in committee of Bill No. 55, to provide for the deduction from compensation in the public service—Mr. Rhodes—Mr. Gobeil in the chair.

On section 3, subsection 2—Apportionment of deduction.

Mr. MACKENZIE KING: Did not the minister propose an amendment to this subsection?

Mr. RHODES: Not to subsection 2. Perhaps my right hon. friend has in mind an amendment which was dealt with last night. I have no objection to reopening the matter if that is his desire.

Mr. MACKENZIE KING: I thought the suggestion was a very good one. The amendment he proposes meets what I think is desirable, that there should be some amount put in the bill which will control the expenditure at least as far as this parliament is concerned. If the minister is prepared to insert that amount I would like to see it done.

Mr. RHODES: If my right hon. friend will look at last night's proceedings—

Mr. MACKENZIE KING: I have looked.

Mr. RHODES: A situation developed last night which made it perhaps not desirable to proceed at that time.

Mr. MACKENZIE KING: I have no doubt there is a different situation this afternoon. If the minister will move his amendment it will probably carry at once.

Mr. RHODES: If it is the desire of the committee I have no objection. My position is the same now as it was last night. I do not propose to take time to repeat the arguments I used on that occasion, but if it is the sense of the committee that subsection 1 be so amended, I am quite in agreement. I therefore move:

That subsection 1 of section 3 be now reconsidered.

Motion agreed to.

Mr. RHODES moved:

That the second proviso to subsection one of section three be struck out and the following substituted:—

Provided further that such deduction shall not apply to any member of the public service of Canada whose compensation during such fiscal year is not more than one thousand dollars, and there may be paid out of any unappropriated moneys in the consolidated revenue fund such sums, not to exceed in the aggregate one million dollars, as are not otherwise provided for and are necessary to give effect to the provisions of this subsection.

[Mr. Motherwell.]

Motion agreed to.

Subsection as amended agreed to.

Mr. MACKENZIE KING: I thank the minister for his accommodation.

Section agreed to.

Sections 4 to 7 inclusive agreed to.

Bill reported, read the third time and passed.

INCOME WAR TAX AMENDMENT

Hon. E. N. RHODES (Minister of Finance) moved the second reading of Bill No. 54 to amend the Income War Tax Act.

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

Mr. MACKENZIE KING: May I ask the minister if there is any change in this bill from the bill of previous sessions other than what is necessary on account of the change of dates?

Mr. RHODES: No, Mr. Chairman, the bill is precisely the same except the changes in the dates.

Bill reported, read the third time and passed.

BILLS OF EXCHANGE ACT

Hon. E. N. RHODES (Minister of Finance) moved the second reading of Bill No. 37, to amend the Bills of Exchange Act.

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

On section 1—Non-juridical days.

Mr. MACKENZIE KING: May I ask the minister if there is anything new in this section other than the substitution of Remembrance day for Armistice day and the provision for the closing of banks on civic holidays?

Mr. RHODES: My right hon. friend is quite right; the only two alterations in the existing statute are first the substitution of Remembrance day for Armistice day in conformity with the statute which has been passed already, and second the provision that when by resolution any city, town, municipality or other organized district may appoint a local civic holiday, the banks remain closed

in that area. I do not know that I can give any better explanation than is contained in the explanatory notes. I am sure there can be very little objection to these amendments if our experience to-day is the same as it has been on numerous occasions in times past.

Mr. MACKENZIE KING: Is that not more or less the present practice?

Mr. RHODES: No, otherwise the banks would have to remain open.

Mr. MARCIL: In addition to these the provinces have the right to establish other holidays?

Mr. RHODES: Yes, the act has not been changed in that respect; that can be done by proclamation.

Section agreed to.

Title agreed to.

Bill reported, read the third time and passed.

SUPPLY

The house in committee of supply, Mr. Macdonald (Cape Breton South) in the chair.

Royal Canadian Mounted Police—to compensate members of the Royal Canadian Mounted Police for injuries received whilst in the performance of duty, $12,000.

Mr. GUTHRIE: I was under the impression that this item was passed last March when the main item was under consideration, but my attention was called to the fact that in the records of the house it does not appear as having been passed. I think last year between $7,000 and $8,000 was paid out of this vote, which is the annual grant for injuries received by members of the force from time to time, but the amount has always stood at $12,000.

Item agreed to.

Legislation

Senate: salaries and contingent expenses, $150,622.50.

Mr. BOUCHARD: Could the minister tell us the reason for this very welcome reduction?

Mr. GUTHRIE: We have pared the estimates to the bone; that is the way we have accomplished it.

Mr. YOUNG: Cutting down the indemnities?

Mr. RHODES: No.

Item agreed to.

House of Commons

Salaries, $206,100.
Expenses of committees, etc., $15,000.
Clerical assistance, etc., $107,203.50.
Contingencies, $45,499.
Publishing debates, including salaries of amanuenses, etc., $63,000.
Estimates of the sergeant-at-arms, $188,271.25—Total, $625,073.75.

Mr. BOUCHARD: May I ask the minister if this amount covers the cost of publishing the debates?

Mr. GUTHRIE: Yes, that is included.

Mr. BOUCHARD: I should like to direct the attention of the committee to a matter that has been brought up already by the hon. member for Témiscouata (Mr. Pouliot). In the last few years it has been customary to supply the members with one copy of the debates. This copy is in either French or English but you will realize, Mr. Chairman, that the French speaking members need a copy for their private library, and, since in the main the debates are carried on in English, we also need a copy of the English edition in order to be able to follow the debates properly and in order to make quotations and so on. I do not think the added expense would be very great, and the debates of the house would be facilitated. Perhaps the minister would be kind enough to look into this matter.

Mr. GUTHRIE: There is a committee of the house known as the internal economy commission which deals with all matters of this kind, and I think any representations on the subject should be made to that commission. In the item now before this committee we are simply following the practice of years past. There may be some force in what my hon. firend says, and I think he should bring the matter to the attention of the internal economy commission during the present session.

Mr. YOUNG: Does this item of $63,000 cover all the expenses connected with publishing the debates?

Mr. GUTHRIE: It says, "publishing debates, including salaries," so I fancy it covers all the expense.

Item agreed to.

Railways and Canals—salaries, $166,644; contingencies, $25,000.

Mr. MACKENZIE KING: This item includes salaries for the department?

Mr. MANION: Yes.

Item agreed to.

Trent canal: construction and betterments, $39,500.

Mr. MACKENZIE KING: What is the reason for the increase?

Mr. MANION: This vote is for some construction work on the Trent canal. Because of age a weir is wearing out, and has to be replaced, so as to protect the department or the government from liability in the event of damage caused by such wearing away.

Mr. ELLIOTT: Is the work done under contract?

Mr. MANION: Nothing will be done until the item passes the house.

Mr. ELLIOTT: Will it be done by tender?

Mr. MANION: Yes.

Item agreed to.

To provide for the payment of salaries and expenses in connection with the St. Lawrence ship canal surveys and investigations, including D. W. McLachlan, at $1,350 and G. W. Yates at $1,080, $20,599.

Mr. MACKENZIE KING: In view of the action of the United States government with respect to the St. Lawrence ship canal has the minister any statement to make on this item?

Mr. MANION: All I can say is that the item is provided because, irrespective of what the United States congress may have decided, a certain amount of investigations are found necessary from year to year. This work has been going on for many years; but in recent years we have reduced the amount. It is true that the United States congress has refused to ratify the treaty. At the same time a certain amount of survey and investigation work will have to be done, and I may say to the committee that any sums which we find need not necessarily be spent will be held up. I should not like to have the item delayed, due to that fact. At least some of the work will have to go on.

It will be noted by the committee that included in the item are two special votes, one of $1,350 for W. D. McLachlan and the other of $1,080 for G. W. Yates. These are men whose salaries were fixed a number of years ago. In fact, I believe in both cases the raises in salary were given by the government of my right hon. friend about the years 1924 or 1925. These are valuable men, and men doing a special type of work. Their salaries, really, should be in one complete figure, and for the information of the committee I should say that Mr. Yates, who is assistant deputy minister, about six or eight months ago took over the duties of secretary. Mr. Pugsley, who for many years was secretary, retired because of age, and we decided that Mr. Yates could carry on that work without any increase in salary, with the exception of the continuance of this vote. The suggestion was that the vote should be put into one item. The matter has been put up to the civil service commission, but so far we have not had their consent. They did take the attitude a short time ago—although I believe the matter has been referred back to them—that the position of secretary of the Department of Railways and Canals might be abolished. We considered that Mr. Yates, as assistant deputy minister and secretary could carry on this work due to the fact that because of railway conditions in recent years the work has not been so heavy. We decided to make a considerable saving by not making a reappointment. The matter is still under discussion between the civil service commission and ourselves and up to the present we have not received a definite reply from them. Unless we did get the consent of the civil service commission to put this man's salary under one item, which we would not be able to do in these estimates, we would have to carry him on as he is at the present time.

Mr. D. W. McLachlan was considered by the late government and ourselves to be a very valuable man in the Churchill work, the Welland ship canal work and the St. Lawrence work. I think he is the best informed man on the St. Lawrence matter in the dominion—that may be a fairly large order, but I believe I am not exaggerating. We feel that for this year at least his salary should be continued as it is. I can assure my right hon. friend and the committee that so far as this work is concerned I can say that any part which does not have to be done will not be done. It will be noticed that the vote has been cut almost to half of what it was last year. It is not the desire to spend money but certain parts of the work have still to be carried on.

Mr. MACKENZIE KING: I do not take exception to the item, because I believe it is all right. I thought however that the minister might like to make a statement.

Mr. MANION: There is not much to say now, is there?

Mr. BRADETTE: This item includes St. Lawrence ship canal surveys and investigations, and I would understand that those surveys would include the drainage system of Chicago. Would the minister tell us what has been done on that score.

Mr. MANION: Although in the past few months I have been looking up information in this connection, I am afraid I cannot give

a definite statement at the present time as to the position of the Chicago drainage canal. I should not like to guess at it, but I can assure my hon. friend that if at some other time he would ask me a question or draw the matter to my personal attention I will outline the situation. However, I should not like to put on Hansard opinions or statements which may not be actually correct in connection with an international matter of that kind. The Chicago Sanitary District, whose officials are in charge of the work, have to a large extent consistently hesitated because of their financial position to carry out the work which they were instructed to do in regard to sewage disposal, but I am sorry I cannot give the hon. member exact information at the moment.

Mr. STEWART (Edmonton): I should be glad if the minister would get that information because there have been various reports published in the press that the provisions of the court order have almost ceased to be carried out, and the court order is of great importance to Canada.

Mr. MANION: I suggest to my hon. friend that as this is really an international matter, and not dealing so much with the St. Lawrence waterway question, it might be brought up when the Prime Minister has his estimates for External Affairs before the house.

Mr. MACKENZIE KING: They are all through.

Mr. MANION: There will be some other opportunity. I will look into the matter and make a statement. I do not care to make a guess on it at the present time.

Mr. MUNN: Are the salaries mentioned in these votes retainers?

Mr. MANION: No, they are salaries for regular employees.

Mr. MUNN: Are there any engineers outside the department being paid a fee in connection with the St. Lawrence waterway? If so, how many, and what are they being paid?

Mr. MANION: There are no engineers outside the department. The work is being carried on under Mr. McLachlan and under the chief engineer, Colonel Dubuc, but at times outside men have been engaged upon certain investigation. No one is being paid any retainers of any kind.

Item agreed to.

Miscellaneous—to provide, subject to the approval of the treasury board, for salaries, reclassification and increases, $50,000.

Mr. SANDERSON: Would the minister explain the increase of $10,000 in this item?

Mr. RHODES: I am sorry I have not my book here.

Mr. MACKENZIE KING: I think these are the customary adjustments.

Mr. RHODES: Yes. I think they largely arise by reason of changes through the establishment of the office of comptroller of the treasury. I should like to have my book here if details are wanted.

Mr. MACKENZIE KING: I think it is the customary readjustment of salaries because of reclassification and promotions made during the course of the year.

Mr. RHODES: It is a regular item and has been in the estimates for years.

Mr. BRADETTE: When I draw my indemnity I have to take oath as to how many days I have been away from the house. I do not think any member should have to take an oath on a matter of that kind. Such a thing is not asked by any large corporation in this country, and I cannot see why it should be asked of a member of parliament. I have heard judges deploring that the oath is used so extensively in this country as to become almost farcical, that people hardly take it seriously. When I was elected I pointed out to my constituents that I would have to answer to them, not to the accountant's office of the House of Commons. I think this provision should be removed from our statutes if it is a statutory provision. I sincerely believe that it is not fair to members of parliament and to parliament as a whole that a member when he gets his indemnity cheque should have to take an oath. When I was elected I was receiving an indemnity of $4,000; it is $3,600 now. I seldom miss any sittings of the house, and yet I am sincere in my protest. I do not think that the full oath should be taken when members draw their indemnities to which they are absolutely entitled. No financial institution of any kind insists upon it, and if there is one office that should accept the word of members of the house it is the accountant's office of the House of Commons.

Mr. GUTHRIE: The hon. member must know that every month as he draws his indemnity cheque he takes an oath before he gets it. It is really a statutory declaration, not an oath, but under the law it has the

same force and effect as an oath. If any change is to be made in the law it will have to be made by an amendment to the House of Commons Act which provides that this statutory declaration shall be taken. While my hon. friend says that when he was first elected he got an indemnity of $4,000, when I was elected I got an indemnity of $1,000 a year, but I distinctly remember that I had to make the statutory declaration just the same, and I think that has been the law since confederation.

Mr. MACKENZIE KING: What circumstances would necessitate an increase of $10,000 in this item? I would assume that the amount required for reclassification and increases would be pretty much the same each year.

Mr. RHODES: I am sorry I cannot give the information at the moment as I have not my book here.

Item stands.

Grant to the Canadian National Institute for the Blind, $16,200.

Mr. HANBURY: I do not want to delay the proceedings but I should like to ask that greater efforts be made to assist the blind people of Canada. This is something which we should all assist in every way we can.

Mr. STEWART (Edmonton): As I said on a former occasion when we were discussing this matter, I regret the reduction which has been made in this vote. I agree with the hon. member for Vancouver-Burrard (Mr. Hanbury), that this is a very worthy cause. When the government is submitting supplementary estimates I think it would do well to consider some further assistance to the institution for the blind and for education of the blind.

Item agreed to.

Grant to the Canadian Tuberculosis Association, $20,250.

Mr. BRADETTE: What is the reason for the decrease?

Mr. GUTHRIE: There is no decrease, it is ten per cent off.

Item agreed to.

Grant to assist the Canadian branch of the St. John Ambulance Association, $4,050.

Mr. MACKENZIE KING: Does this vote cover the cost of the titles recently conferred upon this order?

Sir GEORGE PERLEY: They have been earned by services.

Item agreed to.

[Mr. Guthrie.]

Mr. GUTHRIE: These are all the items we have to submit at the moment. We announced last evening that the estimates of the Department of Immigration would be taken up this evening but I am sorry to say that the minister of that department is confined to his home with illness. If the committee is agreeable we will take up Pensions and National Health after the hour for private bills, or confine it to National Health alone.

Mr. MACKENZIE KING: I would like to be sure that the hon. member for Vancouver Centre (Mr. Mackenzie) will be here when pensions are taken up.

Mr. RHODES: If he is not we will hold the item.

Progress reported.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

PRIVATE BILLS

SECOND READINGS

Bill No. 59, for the relief of Archibald Bruce Elliott Smart.—Mr. Bell (St. Antoine).

Bill No. 60, for the relief of Lilac Violet Grumbell Reid.—Mr. Casselman.

Bill 61, for the relief of Lily Archer Watson. —Mr. Bell (St. Antoine).

Bill No. 62, for the relief of Annie Isabel Tinning Meldrum.—Mr. Bell (St. Antoine).

Bill No. 63, for the relief of Lois Theresa Malcolm.—Mr. Bell (St. Antoine).

Bill No. 65, for the relief of Lucy Doris Cannon.—Mr. Pettit.

Bill No. 66, for the relief of Helen Isabelle Smith Maybee.—Mr. Bell (St. Antoine).

Bill No. 67, for the relief of Sybil Eileen Dyson Richardson.—Mr. Bell (St. Antoine).

Bill No. 68, for the relief of Bertha Alice Maude Maher Burke.—Mr. Heaps.

Bill No. 69, for the relief of William James Thistle.—Mr. Heaps.

SUPPLY

PENSIONS AND NATIONAL HEALTH

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

European war—naval, militia and air forces after the war, $42,000,000.

Mr. BRADETTE: I am rather diffident about discussing again the question which I

am going to bring to the attention of the minister, but I do so because I believe it to be my duty and on account of the justice of my cause. I refer to a very sad case which I have mentioned on several previous occasions —Mr. Joseph Hussin of Drinkwater Pit, Ontario. It should not be necessary for me to call the attention of the minister to this matter again, because if the department had been fully acquainted with all the circumstances I fancy that better treatment would have been meted out to this man. If the minister will give me an assurance that the case will be reopened I am ready to make the same promise I made last year, namely, that should the department find it impossible to defray the travelling expenses of this ex-soldier I shall gladly pay them myself in order to have his case reopened and have him heard.

Towards the close of last session the matter was referred to some of the officials of the pension commission and I was asked, on the eve of my departure for my own section of the country, whether I could take it up with them. Unfortunately I had to leave in rather a hurry for Cochrane but I received a letter to the effect that the case would not be reopened. Two years ago I quoted from some fairly strong editorials appearing in the newspapers, some of them of Conservative and independent tendencies, and I called attention particularly to an editorial in the Porcupine Advance, which had been fighting for this man for several years. In my riding there is a large body of returned soldiers and only three or four at most have failed to receive the attention they deserve.

The minister is always willing to listen to the returned man's plea, and I am sure that if he knew all the facts he would grant this man a new hearing immediately. Not only the House of Commons but the whole country welcomed the statement made by the Prime Minister almost at the beginning of the session with reference to certain cases brought to the attention of the house by the hon. member for Shelburne-Yarmouth and the hon. member for Vancouver Centre. Those cases I believe were dealt with immediately. I wish that I could present Mr. Hussin's case as forcefully as the hon. members I refer to presented the cases in which they were interested, because I believe that the matter would have received attention at once from the minister and the department.

If I understand the act rightly it gives sufficient leeway to allow this case to be reopened. It is my duty now, unless I get a promise from the minister that it will be reopened, to put once more on the record of parliament exactly what has taken place with regard to this man. This is one matter in connection with which there has been a good deal of criticism not only of the pension commission but indirectly of the minister. This gentleman has been suffering for a number of years from injustice and before I proceed I wish to put a direct question to the minister. If he answers in the affirmative I will go no further but will give him all the information I have. Will it be possible to have this case reopened and Mr. Hussin reexamined?

Hon. MURRAY MacLAREN (Minister of Pensions and National Health): Extended reference to this case was made by the hon. gentleman last year and I then said that I would see that it was again thoroughly investigated. The man was brought from his home in the northern section of Ontario to Christie street hospital in Toronto and special arrangements were made so that his case should be fully looked into. He was examined by two nerve specialists, one belonging to the department and the other a specialist in nervous disorders who had no relation with the department. The case was completely reviewed and the man thoroughly examined, and the report of the two specialists was that it was a case of malingery. I can understand my hon. friend holding the view that the case has not been fairly dealt with. That frequently occurs in cases such as hysteria and malingery; there is always a doubt, especially on the part of those connected or associated with the man. As I say, the report of those two specialists was that it was a case of malingery. It is also stated that there was repeated evidence that he worked as a labourer between the years 1919 and 1931. The result was that it was not considered a genuine case and he was not awarded a pension. I made every effort to have this man examined in an impartial way and by men specially trained and qualified in diseases of the kind, and that was the result. I had hopes that my friend who has now again brought this case forward might feel that the examination was a fair one, and that the result was arrived at by men well qualified to reach a right conclusion.

There is no limit to reexaminations, even if it seems not very necessary,—because this man has been examined again and again. My friend asks whether I will arrange for a further examination. I say that notwithstanding all

that has been done and the very special efforts made to arrive at a convincing finding, I shall be pleased to ask that this man have a further examination.

Mr. BRADETTE: I appreciate what the minister has said and has done, and that appreciation will be shared by the veterans generally. However, I am going to challenge one statement made by the minister, even if it is based on the report of a specialist; I say that man is incapable of malingering. I have made the statement outside of the house and I make it here. And I say it was impossible for him to work as a labourer from 1919 to 1932. The only way that statement could have come to be made was that the man was on a farm settlement in the Porcupine district. He is crippled, he has no use of one arm, and it does not take an expert to realize that. If I see a man with only one eye it is easy to know that he has the use of only one eye.

The Pension Act has been well administered throughout Canada and there are very few cases of this nature. In fact the opinion is almost unanimous that successive governments have kept faith with the returned men, and this is one of the very rare cases in my section that has not received the attention that it deserves.

There is only one other case that I wish to bring to the attention of the minister, that is the case of H. C. Joanisse of Cochrane, regimental number 1102199, of battalion 257 D, unit C.A.V.C. He is suffering from faulty eyesight. I think he made application once two years ago, but whether or not he was examined I do not know. He wrote to me a few days ago asking for another examination.

These are the two outstanding cases in our section of the country. I hope in relation to the one I have just cited that the minister will give me the same answer as he gave in the previous case, namely that he will allow the matter to be reopened.

Mr. MacLAREN: I am quite unable to identify the case. All I can say is that the man's number will appear on Hansard and I shall make inquiry and see what should be done. In reference to the other case, if possible I shall endeavour to have two nerve specialists deal with this man who have not previously examined him. Also I think it is fair to ask that the hon. member who is so much interested in this case should, in order to satisfy himself, read the files and the evidence; they will be at his disposal.

Mr. MacLEAN: In connection with veterans' allowances, I understand there is a ruling of the department that a Canadian soldier entitled to veteran's allowance, if taking treatment in a hospital in the United States or living in that or some other country, cannot draw such allowance. I should like to know if that is a correct statement, and if temporary absence of that kind disqualifies him. I have in mind a man suffering from tuberculosis. His home is in Nova Scotia—not in my riding—and he has taken treatment in a hospital in the United States. The doctors are of the opinion that it is an advanced case of tuberculosis, but although his case is before the pension board they have not yet come to a conclusion. As his wife and children are in need we are making an effort to get veteran's allowance for him.

Mr. MacLAREN: If my hon. friend has in mind the war veterans' allowance, the regulation is that such allowance is not payable outside of Canada. That is, no man receives war veterans' allowance unless among other conditions he is a resident of Canada. On the other hand the hon. member may be referring to pay and allowances; that is on a different basis. Pay and allowances to Canadian pensioners while undergoing treatment in the United States are allowed.

Mr. VENIOT: In a case where the dependents live in Canada and the husband lives in some other country would not the dependents receive their share of the veterans' allowances?

Mr. MacLAREN: No, in the case of a man in the United States whose family lived in Canada, the war veterans' allowances would not be payable.

Mr. VENIOT: Not even to the dependents?

Mr. MacLAREN: No.

Mr. MacLEAN: I wish to thank the minister for the information he has given me; I was speaking with regard to the veterans' allowances, but possibly something can be done in the other way to which the minister referred, and I shall be glad to take up the matter with the department. Then I should like to know from the minister if a ruling has been made recently in cases where pensions are granted which should be dated back to the date of the application on which the pension was eventually given.

Mr. MacLAREN: There are pensions payable back to a certain date; they are termed retroactive pensions, and they are frequently awarded.

Mr. MacLEAN: There has been no recent ruling in that regard?

Mr. MacLAREN: There has been no change made.

Mr. BRADETTE: Would it be possible under the pension act for a returned man to go back to the land and borrow money from the department for farming purposes?

Mr. MacLAREN: No, he cannot borrow money on his pension, and his pension cannot be interfered with by anyone.

I have some interesting facts, Mr. Chairman, with regard to the payment of pensions which I think I should make known, as the information is rather important. I wish to place it on Hansard so that hon. gentlemen may have an opportunity of studying the figures with greater ease. The reason I do so is that frequently the criticism is heard that pensions are being reduced. I am not surprised that this view is held by many, and there may be a certain diminution in the amount of pension paid, but that diminution is not large. There are two principal reasons for this misapprehension, but before I make my statement I should like to describe how the representative of the treasury board keeps his record of pension payments, so that hon. gentlemen will be a little better able to follow the short explanation I have to make.

The representative of the treasury board, who is the bookkeeper and paymaster, as it were, has three columns in his records with regard to the payment of pensions. There are three classifications under which pensions are placed, and the three added together show the total payments. First is the column showing the regular monthly payments; this is an amount that is more or less the same subject to minor changes. As I say, this figure is fairly constant, though not necessarily so because pensions are subject to change. Many people say, "My pension was so much a year ago and now it is so much less." Pensions are subject to change in accordance with the amount of disability. Naturally if a man has lost an eye or both eyes that is a permanent disability and his pension does not change. If a man has an amputation that is a permanent disability and there is no change in his pension. There are innumerable other conditions, however, such as bronchitis, rheumatism, myalgia and all that sort of thing, which vary from time to time, and the pension varies with the amount of disability.

The second column refers to retroactive adjustments, which I mentioned to my hon. friend from Prince. This amount varies also. In one year it was almost $4,000,000; in another year it fell, and according to the last statement I have, pensions of this class totalled $1,145,000. In other words in one year a large number of cases concerning retroactive pensions may come before the pension commission while the following year there may be a much smaller number, so this amount varies also.

The third classification is the restored final payments, and in this classification we find the greatest variation of all, because it was only in 1930 that legislation was introduced concerning what are called the restored final payments. For the first two years a very large number of retroactive payments were made, and have been made as time has gone on. To give an example, in the year 1931 the item for restored final payments amounted to $3,941,991.56, nearly $4,000,000. Last year, 1933, it was down to $190,168.87.

Mr. POWER: Would the minister give the figure for 1932?

Mr. MacLAREN: The amount was $832,851.23. In order to get a fair idea as to whether pensions are diminishing or increasing one must view it over a fairly long period of time. I noticed during the present session a question on the order paper asking for the figures over a three year period. At that time the matter was carefully investigated and it was shown that a three year period was not a satisfactory basis on which to judge. I have before me a table showing the figures for six years, and with the permission of the committee I shall have it placed upon Hansard. I have an extra copy for the hon. member for Quebec South; perhaps he may wish to show it to other hon. members on that side of the house. The figures are as follows:

Amount of Pension Payments

Calendar year—	Regular monthly payments	Retroactive adjustments	Restored final payments	Total
1928	$36,088,974 47	$3,917,752 75	.....	$40,006,727 22
1929	37,143,239 72	2,081,342 46	.....	39,224,582 18
1930	37,856,525 20	2,822,580 50	$1,189,794 62	41,868,900 32
1931	40,199,310 74	3,318,176 65	3,941,991 56	47,459,478 95
1932	41,238,465 31	1,750,914 30	832,851 23	43,822,230 84
1933	40,633,738 04	1,145,489 04	190,168 87	41,969,395 95

Mr. BRADETTE: I do not think I made myself clear when I spoke earlier in the evening. Every week I receive letters from veterans in my constituency who would like to go on the land, and they want to know whether or not through the pensions legislation it would be possible for them to borrow money to start in this line of work.

Mr. MacLAREN: The matter to which the hon. member refers comes under another department over which I have no jurisdiction and about which I should not like to speak.

I believe it is the desire of the committee to know the exact conditions, and to be informed of the good as well as the bad points. A number of questions on the order paper have asked, "What was the total decrease in payment"—in this or that. But on no occasion has a question been submitted asking, "What have been the decreases and what have been the increases?" One who wishes to know the exact situation must realize that the information on one side is as important as that on the other. Because the increase in pensions is considerably greater than generally understood, I shall place on Hansard figures showing disability pension activities. Before giving the complete table may I indicate that in the year 1933-34 the decreases numbered 3,617, and the increases 2,631. The number of increases may be smaller, but is still a very substantial number. With the permission of the committee I shall put the following figures on Hansard:

Disability Pension Activities, by Fiscal Years 1929 to 1934

Fiscal year—	Decrease of pension	Discontinued no disability	Discontinued with gratuity	Total decreases	Increase of pension
1929-30	745	80	10	835	3,723
1930-31	449	90	47	586	4,277
1931-32	791	162	73	1,026	4,023
1932-33	2,129	271	156	2,556	2,865
1933-34	2,510	399	708	3,617	2,631

First Pension Awards

Fiscal year—	Pension	Gratuities
1929-30	1,774	319
1930-31	2,722	317
1931-32	3,091	457
1932-33	1,912	406
1933-34	1,058	246

Before taking my seat I should like to indicate one other point, namely that the average amount of pensions paid is considerably lower. The explanation is one which should be known to all hon. members. As I pointed out when speaking about the restoration of pensions, under the amendment to the act made in 1930 the small pensioners were restored—and by that I mean the pensioners between five per cent and fourteen per cent. As a result hundreds and hundreds have been restored, thereby increasing very substantially the total number of pensioners. But the increase in the number of pensioners is largely caused by the number who are drawing small pensions between five per cent and fourteen per cent, and for that reason—I give this information for what it is worth—the average amount of pension paid to-day is less than it was.

Mr. GERSHAW: I understand that a quorum of the pension commission travels around the country and holds hearings at certain points. My difficulty is that it is very hard to find out when the quorum will sit at a certain place. I should like to ask if the department has any regular schedule; or does the quorum sit when enough cases have accumulated? Is the soldiers' adviser notified when sittings are to be held?

Mr. MacLAREN: As a matter of fact the information can be obtained with great ease. A schedule is drawn up several weeks ahead and can always be obtained. If any hon. member of the committee wishes such information I shall see that he receives it at once. The regular procedure is to write the pension commission and inquire when they will sit at a certain place. The chief pensions adviser always has that information. There is a schedule somewhat like a time table, but perhaps a little more variable, which is always ready for weeks ahead. If the hon. member would write the pension commission he would get the information.

Mr. GERSHAW: I have not been able to get it by writing. The soldiers' adviser will

say that there may be a session at such and such a place next spring, but he does not know. I had real difficulty in finding out when they would reach a certain point.

Mr. MacLAREN: I think the hon. member will find that that information is known several weeks ahead.

Mr. HOWDEN: I understood the minister to say that the pensions were progressively becoming smaller. I would ask if it is the policy of the department progressively to diminish pensions, and if so, upon what authority they are making this change. I have in mind several types of cases that certainly occur from time to time, and just how it is possible for the department progressively to reduce pensions consistently with the act I do not understand.

Mr. MacLAREN: So far as I am aware there is no policy of reducing pensions, and further the department could not properly have any such policy because the amount of pension granted is according to the degree of disability. The disability is assessed, not by the department, but by the pension commission, which is practically an independent body. The department has nothing whatever to do with any reduction of pension, and so far as I am aware there has been no move in that direction.

Mr. VENIOT: What about the reduction in the pensions of dependents, which are not awarded according to the degree of disability? I know cases where dependents have had their pensions reduced, and I am not referring to cases, for instance, where there is a reduction because of a child coming of age. I have in mind a dependent's pension to a widow, and that pension was certainly reduced. How does that operate?

Mr. MacLAREN: If my hon. friend from Gloucester would give me specific cases I should be pleased to have them looked into and give him a proper answer. So far as I am aware these cases do not arise. Of course, there may be a case like this, where a widow who has been receiving a pension for some years remarries.

Mr. VENIOT: It is not that kind of a case at all.

Mr. MacLAREN: Outside of that the pensions that are awarded to dependent fathers and mothers depend upon their financial position, and if a dependent father or mother gets into better circumstances I can understand the pension being reduced. But I shall be glad to look into any case of which my hon. friend from Gloucester will give me the particulars.

Mr. VENIOT: Here is a case in point. A widowed mother was receiving a pension on account of her son who was killed at the front. After enjoying that pension for several years she was suddenly notified that the pension was being reduced from forty to twenty dollars a month, and her condition at the time she received that notice was just as bad as it was when she was receiving a pension of forty dollars a month. The pension board or the department must have some way of looking into the matter and making a report on such cases. I do not know who reported on this case, but whoever did make the report made a false report because I am personally acquainted with these people; I know their conditions and everything connected with them. I took the matter up and reported the case as I knew it, and as the clergyman of the district knew it, and as a result the pension board added to the reduced pension something like ten dollars. Now, I do not want any pension board to add to a reduced pension on my recommendation. I do not make recommendations. I want every case treated on its merits, and the reason I am bringing this question up to-night is for the guidance of the pension board in the future. In all cases the pension board should see that a proper investigation is held; they should not depend on their agents getting reports from Tom, Dick and Harry, without going to the spot and seeing the actual conditions for themselves.

To prove my contention I would remind the minister that some seven or eight years ago it was the practice to send lady inspectors around to see the condition of the pensioners and see if the pensions, especially of dependents, should be continued on the scale first granted. One of these lady inspectors called at my home on a Sunday afternoon, showed me a list of names of people she was to visit in my county, and asked me where they were located. I gave her all the addresses and told her how to reach these places. One of the cases was about a mile and a quarter from my home, and she asked me if I would give her the particulars in connection with that dependent family because she wanted to make her report and send it out the next day. She did not visit that family and make her own report. She made a report on the word of Tom, Dick and Harry, and that widowed pensioner had her pension reduced after losing a son in the flying corps at the front. That was the practice some years ago. Lately I have not heard much about it except in the one case I now mention.

The other day I received a letter from a pensioner in my county, sending me a notice that his pension had been cut from twenty-five dollars to ten dollars. He is a returned soldier trying to make a living on the farm. On whose report was his pension cut? I have made inquiries and I tried to find out as much as possible when I returned home at Easter. It was reported in the neighborhood that this man's pension had been reduced because it was found that he had a couple of horses and a cow. What right have they to reduce his pension as a returned soldier because he happens to have a couple of horses and a cow? If he was entitled to a pension of twenty-five dollars a month they had no right to cut it down because he was trying to make a living on his little farm where he has been able to raise two horses and a cow; but the pension was cut down from twenty-five to ten dollars a month, and he had to go on the relief list and get relief for himself and his cattle to keep them from starving. It was robbing Peter to pay Paul.

These are two cases. I do not wish to give the names before this committee, but I shall be glad to give them to the minister any time he wants them.

Mr. MacLAREN: If the hon. member for Gloucester will be good enough to give me the names in confidence I shall have the cases looked into.

Mr. VENIOT: I will do that.

Mr. MacLAREN: There is a little more to say about it. It is suggested that the man had his pension reduced because he had two horses and a cow. I know nothing about the case; I do not remember having heard of it, but I cannot believe that the pension was reduced for that reason. If he had a hundred cows and fifty horses his pension would be just the same. There must be some other reason, and I hope the hon. member for Gloucester will give me a chance to look into the matter. These cases are investigated, but it might be exacting a higher standard than is found in other positions in life to expect that those investigating always do their duty. I should like to be satisfied as to whether the case the hon. member mentioned has been actually investigated; the records will show. Both cases will be thoroughly looked into.

Mr. RALSTON: With all due deference to the minister I question whether his explanation as to the reduction in pensions gives us a true picture. Every hon. member knows from the correspondence he has received, as does everyone who is interested in returned soldier matters that outside of the reinstatement of pensions which had been settled by a final payment there has been quite a substantial cut in pensions. I am not saying that in some cases that cut has not been justified, but I do say that the minister is not correct when he says that the reason the average is reduced is the fact that some small pensioners who had received final payments have now been restored to monthly pensions. Letter after letter is received by hon. members of this house, by the legion and by others interested in ex-service men's problems, to the effect that pensions have been reduced. As I say, some reductions may be justified, but do not let us fool ourselves about it. I understand that for some reason the auditor general has gone down to the pension commissioners or to the minister's department and started an investigation as to the legality of the amounts awarded for pensions.

Mr. MacLAREN: With the pension commission.

Mr. RALSTON: Does the minister say that the auditor general did not institute an investigation?

Mr. MacLAREN: It is the routine examination he makes in all departments. He does not come into the department to investigate as to the propriety of awarding pensions.

Mr. RALSTON: He does not?

Mr. MacLAREN: So far as I know it is limited to the pension commission.

Mr. RALSTON: I think the minister and I understand each other perfectly well; the department does not award pensions, it is the board of pension commissioners. The minister can correct me if I am wrong, but I understand that the auditor general or his representative has gone over the files to find out whether or not he considers a pensioner entitled to a pension. Will the minister tell me whether that is right?

Mr. MacLAREN: I think that is correct.

Mr. RALSTON: I submit—I am speaking in the presence of the Minister of Justice (Mr. Guthrie)—that that is an absolutely incorrect function of the auditor general. I submit that he has no more right to overrule a decision of the board of pension commissioners than he has to overrule the exchequer court if it decides that the crown is liable for the payment of a certain sum of money. The commission has the statutory authority, and it seems to me the auditor general has no jurisdiction whatever. This is one case

of reduction of pensions which has been referred to. I understand that the auditor general has gone over the files and stated that such and such a man received his disability before service, and suggesting that his disability was only an aggravation of a pre-war disability and that, therefore, he was not entitled to the full amount, notwithstanding the fact that the statute awards such a man the full amount if he served overseas in a theatre of war. I submit that is one of the reasons why pensions have been cut.

I understand that some 70,000 files have been reviewed by the board of pension commissioners. The other night we had a statement to the effect that the records show that reductions had occurred in something like two or three thousand cases. In the face of that I do not see how the minister can say that pensions have not been reduced, even in view of the fact that there are more pensioners now through the restoration of a number of small pensioners.

Mr. MacLAREN: I did not say that.

Mr. RALSTON: That is the impression that was left on my mind. I am glad I spoke and have had that impression removed. There is no doubt that pensions have been reduced considerably in a great number of cases. I have had experiences similar to those of the hon. member for Gloucester. Just to-night I received a letter indicating that a parents' pension of two old people in my constituency had been reduced from $30 to $10. In another case two old people, not in my constituency, were receiving the munificent sum of $10 a month. The two boys of this father and mother are dead in France, so there is no question as to the connection between service and disability. They are now sleeping in Flanders fields, and these two old people are receiving $10 a month. I saw the file in this case. Someone had suggested that the award be $20 a month in respect of the death of the two sons, both of whom had assigned pay, but someone else had put a red ink line through the "twenty" and put down "ten." The case was finally re-examined the other day and they are now receiving $20. That is the kind of case the hon. member for Gloucester is complaining about, the case in regard to which it takes months to get recognition by the investigators. Many of these people are probably in a worse position and deserve more from the country than some men who are partially disabled. These particular two old people have lost their two sons and it seems to me that the country ought not to be ungrateful and should see that they and others similarly situated should be provided with sufficient for their maintenance. I think the minister should look into the administration of dependents' pensions. As I understand it there is no appeal in the case of a dependent's pension unless it is on the question as to whether or not death was due to service. The question of the financial position of the applicant cannot be considered by the court of appeal; the question whether or not the son or sons would have supported the parents had they lived cannot be referred to the court of appeal; the question whether these parents have sufficient income to provide the necessaries of life cannot be referred to the court. I submit that these cases should be within the jurisdiction of the court of appeal because many of them constitute the most distressing cases with which we have to deal.

There is another matter which the minister and I have discussed before, the matter of the married cases. He will remember the other night when we were discussing this matter I intimated along with other members that I thought many of these cases could not be dealt with simply by reference to the Department of Justice. I intimated that there are cases in connection with which legislation would have to be passed, and I should like to know the position of the minister in connection with this matter. I understand that generally one does not forecast legislation, but it seems to me that the committee is entitled to know what the minister has in mind.

Mr. GUTHRIE: I should like to make a statement with reference to the cases referred to by the hon. member for Shelburne-Yarmouth (Mr. Ralston). Up to April 28 there had been submitted to the Department of Justice, 163 married cases. My understanding is that there are some 570 in all to be submitted. Yesterday my deputy minister received a letter from the chairman of the pension commission stating:

> The commission have forwarded to you quite a number of files with regard to the material status of pensioners. I am writing accordingly to let you know that the review of these cases will not be completed even by the end of the year. You may expect to receive each week about the same number you have been receiving in the past. It is quite probable that with regard to the out of Canada pensioners the review will not be completed until another year.

We have made a pretty careful review of the cases we have already received and they seem to resolve themselves into about four different categories, or perhaps five. After having examined them with some care, the question is, what are we going to do about

them? Out of the 163 cases there are about thirty-three in which the parties have not shown good faith with respect to alleged marriages; that is the opinion of the law officers of the department. There are about sixteen that could be remedied for the future by the pensioner and his alleged wife going through a form of marriage, provided the Pension Act were amended to permit such marriage. There are about forty-three cases in which the onus of proof may lie with the pension commission, all parties having submitted evidence of a prima facie valid marriage; and in addition there are twenty-five cases which might possibly be considered in this class, making a total of sixty-eight.

Just what the ultimate action will be in regard to these cases I do not know. There are several suggestions, made by the law officers of the Department of Justice, which have not been fully considered and I have not had an opportunity of bringing them to the attention of the minister of the department and of my other colleagues in the government. I merely mention what I have to show the progress that has been made so far.

Mr. RALSTON: I added together the numbers the minister gave, and I took the report to include 117 cases out of 163.

Mr. GUTHRIE: I do not desire to go into the various groups because we may have to change the wording somewhat. In group 1 there are twenty-five definite cases.

Mr. RALSTON: Is the minister reversing the order? Twenty-five happened to be the last figure he mentioned a moment ago.

Mr. GUTHRIE: In subclause 1 of group 1 there are twenty-five; in subclause 2 there are nineteen; in subclause 3 there are three. There is some distinction between them all. In group 2 they have placed definitely sixty-three; in group 3, eighteen; and in group 3 (a) there are nine cases. In group 4 there are nine cases which may be increased to thirty-two in all. I think they have dealt now with the whole 163 and divided them into four groups, some of which have had to be subdivided owing to particular circumstances that have arisen.

Mr. RALSTON: Accepting the minister's reservation, that the wording may be changed, it appears that there are sixteen out of 163 in which a new form of marriage, provided the statute were amended, would meet the situation. In forty-three the onus is on the commission, from which I take it at this stage that the marriages are presumed to be valid. There are twenty-five more that might be in that class. That makes, out of 163, eighty-four altogether in which it would appear that the parties have merits. I understood the minister to say that in thirty-three cases a want of good faith was shown.

Mr. GUTHRIE: There are thirty-one in which the parties have not shown good faith with respect to the alleged marriages, in the opinion of the officers who examined the files.

Mr. RALSTON: I have taken the position, to which I adhere, that the cases I am particularly interested in, whether I know the persons or not, are cases in which the parties have lived together believing they were man and wife, and where the community recognized them as such; they have discharged the duties and responsibilities of married life, taking care of the children and the man supporting the woman; and the money which the country has paid has been devoted to the purpose for which it was intended. If there are cases in which good faith does not appear then I should say that at any rate they are the last cases to be looked after. I hope however that the Minister of Justice can go further—I quite understand the work involved—and give us some idea as to what might be proposed. I realize that he went some distance the other night in intimating his opinion, which he was careful to say was not the opinion of the government, that legislation would have to be provided and that these cases of good faith ought to be looked after. I want to urge not only upon the Minister of Justice but upon the Minister of Pensions and the government as well the opinion that it is absolutely necessary, in decency and propriety, for this country to look after these cases. I do not believe we can afford to have the board of pension commissioners bastardize children or call people adulterers who have lived together in circumstances in which the community is recognizing them as man and wife. It is an unfortunate situation that has arisen, and we in this house should do all we can to correct it as soon as possible. That is all I say at the moment.

There is something else however which I want to say to the Minister of Pensions with regard to the way in which the undertaking given by the Prime Minister has been carried out, at least in some instances. I brought this to the minister's attention and I do not think he will want me to put it on record. The Prime Minister made a statement in this house, and I have every reason to accept his words absolutely at their face value because I believe he meant them. He said that those

pensions would be restored where they had been taken away without notice—in all cases. That will be found at page 538.

Mr. GUTHRIE: Did he say in all cases?

Mr. RALSTON: Yes, he made no exceptions.

Mr. GUTHRIE: I understood that an arbitrary date was fixed—all cases arising since the 1st of February, 1933.

Mr. RALSTON: I think the Minister of Justice is quite right in saying that there was such an understanding. I do not think it is mentioned in the Prime Minister's statement, but everyone understood that that was what he was referring to. I have therefore no objection to that reservation being made. But we were dealing particularly with marriage cases in which there was alleged invalidity of marriage, and other cases were included in which the pension had been reduced in cases where there should have been a hearing.

Mr. VENIOT: I asked him if those were included and I understood they were.

Mr. RALSTON: I believe the ex-Postmaster General asked the Prime Minister that and he received that answer. The other day I came across a case which made the hair stand up on the back of my neck a little. I found the board of pension commissioners writing back to a man who had had his pension cut off in order to repay alleged overpayments, and what they wrote him was that the Prime Minister's statement referred only to cases where there had been a marriage, "and in your case," they said, "there was not a marriage." I understood the Prime Minister's statement to refer to any case in which the cancellation or withholding of the pension was due to the question having been raised as to the validity of the marriage or as to the legality of the state in which husband and wife were living. Yet this officer of the board of pension commissioners writes back to say, "Well, the Prime Minister's statement referred only to marriages and did not have reference to your case, because there was no marriage." The point about the board of pension commissioners' objection to paying the pension was that the marriage was not valid; in other words, that there was no marriage. And they were saying, "In your case there was no ceremony and therefore the Prime Minister's statement does not apply." I brought the matter to the attention of the minister. I shall not give the name, but the minister has it. We found that he, an old man living in Toronto, had sent in to the board of pension commissioners in 1917 a form setting forth the name and date of birth of the child, and that that had been acknowledged under date of October 18, 1917, by the board. On June 27, 1918, the board sent him this letter:

> I have the honour, by direction, to return herewith your certificate of marriage, the same having been perused is no longer required by this commission.

They continued to pay him pension until 1932 or 1933, when they discovered that his wife had been married before. They asked for a statement as to the death of the previous husband, and, being unable to get it, cut off his pension and charged him with a lot of back pension. A reference to the file will show that what the man did was to send to them, in good faith and aboveboard, as he says, a statement of the facts: he told them he had not gone through a church marriage, but he had cuttings from a newspaper, "Answers to Correspondents" saying that under certain circumstances where parties constantly live together as husband and wife—called marriages of habit and repute—that is a good marriage. He had that from a newspaper, I think the Glasgow Herald. He also had a statement from the newspaper that promise of marriage followed by consummation on the faith of the promise was sufficient. He said that under these circumstances they considered themselves married. They had sent to Glasgow the report of the birth of their daughter in 1917, and enclosed a clipping showing the birth. He sent in the certificate he had previously forwarded to the board, which turned out to be the certificate which they had acknowledged in the letter I have just read and which apparently had been signed by the two of them, believing that that was sufficient to constitute a marriage. This was the paper acknowledged by the board as a certificate of marriage in 1918. They had accepted it; and if the Minister of National Defence were in his place I think he would appreciate this, because he brought up a case the other night of the board of pension commissioners having accepted proof of marriage for years and years and then repudiating it. They had accepted this, had gone on paying him, and then suddenly stopped his pension and claimed over payments. He wrote me a letter in which he said:

> You will note we were married by consent and licence only.

And he said that they had been entirely aboveboard in connection with the whole

matter, and had advised the board of pension commissioners that they did not go through a clerical ceremony. The board of pension commissioners, notwithstanding the undertaking of the Prime Minister, deliberately wrote to that man and told him in effect that the Prime Minister's undertaking did not apply to him. This is the letter, dated April 10, 1934:

Reference is made to your communication of April 2, referring to a statement made by the hon. the Prime Minister to the effect that all additional pension should be restored in cases where the validity of a marriage is in question. This refers only to persons who have actually contracted marriage.

According to the records of this commission you have at no time contracted marriage with the person with whom you are now residing and under such circumstances the commissioners have no authority under the act to award additional pension.

And this notwithstanding the fact that the board in 1918 had seen and acknowledged the certificate of marriage that he sent in at that time, and had been paying him ever since. My information from those who know this man in Toronto is that the community regard these people as man and wife; there has never been a breath of suspicion as to that, yet the board of pension commissioners not only refuse to recognize the marriage but even refuse to recognize the undertaking of the Prime Minister. It is annoying and irritating, when the Prime Minister has attempted to give this country and the ex-service men the assurance which he was honestly giving and which I know he fully intends to carry out, to have the board of pension commissioners writing chiseling letters of that kind to detract from the undertaking.

Mr. GUTHRIE: While one cannot say definitely what was in the mind of the Prime Minister, from the language I heard him use my own judgment is that the case my hon. friend refers to is one of those which he intended should be included in the statement he made. But whether in his mind he would exclude a case of that kind I cannot say.

Mr. RALSTON: The Prime Minister said on page 538 of Hansard:

Might I say to the hon. gentleman that the government has already determined, as I indicated in part this afternoon, that in all those cases where men's pensions were taken from them without notice, they should be restored. That has been decided. The method by which it is to be done, whether by legislation or otherwise, is a matter on which I ventured to ask the hon. member for Shelburne-Yarmouth (Mr. Ralston) about to-day. I believe under the provisions of the Relief Act we may be able to accomplish it. It is proposed to be done if it can.

[Mr. Ralston.]

In most of the cases I know about, except these few, that has been done; the Prime Minister has found a way to do it. I need hardly say it is not the Prime Minister I am blaming. What I do complain of is this disposition to irritate people and be as niggardly as possible in connection with a matter as to which I think we should be fairly generous.

Mr. MacLAREN: May I clear up a few of these points? First there is a difference of opinion about the date, February 1, 1933.

Mr. RALSTON: Back to what date does the minister say the Prime Minister's undertaking applies?

Mr. MacLAREN: I am not submitting my view. I have said that these matters were referred to the Department of Justice. I have drawn attention to the statements made by the Prime Minister in the house, and the Minister of Justice, so that an interpretation and decision may be given on that point. I have views about it, but I am not making the decision.

As to what is to be done, I believe that these marriage cases will finally—it is evidently going to take some time—be disposed of in a fairly satisfactory way. I have not said by legislation or by what means, but my present view is that this matter will be satisfactorily dealt with.

Meanwhile it seems to me that we are overlooking the condition at the present time. With only one or two exceptions that I know of, these cases are now receiving their pay and allowances. They are not suffering during the interval because their pensions have been restored and the arrears restored. So that while it is desirable to have the matter settled as soon as possible, in the meantime their pensions are being paid the same as they ever were.

Mr. NEILL: If ultimately the decision is against them, would they not have to repay the money?

Mr. GUTHRIE: That is an open question.

Mr. MacLAREN: I did not hear the question.

Mr. NEILL: Suppose when their cases are heard again the decision goes against them, will they be asked to repay the money they have received since their pensions were restored?

Mr. MACKENZIE (Vancouver): Of course they will.

Mr. MacLAREN: That will have to be determined later. I presume many of them would not be able to repay it in any case. But I am pointing out that the pensions are going on.

Mr. MACKENZIE (Vancouver): In all cases?

Mr. MacLAREN: With the exception of, I think, one case, or two. Therefore do not let us overdo the grievance part, because the pensions are being continued until the matter is properly settled.

I want to refer to one or two other matters. The hon. member for Shelburne-Yarmouth was under the impression that I said that the reduction of pensions was due to the small pensioners being readmitted. I wish to correct that, because I did not say it. What I said was that the average amount of pensions is reduced largely through the admission of those. I do not think the figures are of any great value, as I said before, but I am trying to meet the objections that are made by returned men and in the press. They frequently say the average is reduced, and I quite agree, but I say that in large measure, though not wholly, the explanation lies in the small pensions that have been granted in very large numbers, which naturally reduce the average amount. I believe if the hon. member for Shelburne-Yarmouth will look into the figures he will agree with me.

There are many other factors, of course. The pensions may be reduced by the pension commission, though that is not a great factor in regard to the average. Another reason is that the very severe cases are dying off more rapidly, and some of the very large pensions are not being paid. The hon. member for Gloucester referred to the dependent whose pension was increased, and in whose behalf he had communicated with the board. I must be fair, and I must say that I do not think the pension commission are respecters of persons, so I do not believe the increase was due to the representations of the hon. member for Gloucester as such. He knew these people, as he said to-night, and I have no doubt he represented to the commission that he had personal knowledge. Is that not the sort of thing to which the commission should listen? I think it is.

There is only one other point, and that is in reference to assessments. There is no appeal in reference to assessments; they lie wholly with the pension commission. There are differences of opinion in that regard and I might as well tell you what my opinion is. I think it would be impossible for the administration of pensions to go on if there were appeals from assessments. There is enough difficulty now, and it would be increased I do not know how greatly if an appeal was permitted from each individual assessment.

Mr. RALSTON: I only spoke of dependents' cases, which would be only a small portion.

Mr. MacLAREN: While there is no appeal —and I hope the hon. member for Shelburne-Yarmouth will listen to me on this point— from assessments, whether with regard to dependents or returned men, there is substantially an appeal that is constantly made. That is by means of making further representations to the pension commission, whether by way of new evidence or new material of any kind, and assessments are increased when good cases are made out.

Mr. POWER: In beginning his remarks the minister made some reference to clearing up this question of the marriage cases. Without wishing in any way to be disagreeable I should like to point out to the committee that the minister has not cleared up the issue in any way. He started by saying there was some disagreement as to the date at which we should begin to review these marriage cases, but surely the minister would not wish to pin down the Prime Minister to any definite date. I would imagine, as I think every hon. member knows who listened to the Prime Minister, that the right hon. gentleman wished to go into all these cases where there was some discussion as to the validity of a marriage. I cannot conceive it to have been the intention of the Prime Minister that because some such case arose on January 25, 1933, it could not be taken into consideration but that another case that arose on February 1 could be considered. To my mind the minister does not do himself justice when he tells the committee that there is some difference of opinion as to when we should begin. Surely there is no room for difference of opinion if it is the policy of the government to review these cases and to examine into the bona fides of each case. I think perhaps the minister did not give sufficient consideration to that point when he referred to that difference of opinion.

Mr. MacLAREN: Yes, I said there was a difference of opinion.

Mr. POWER: And it was so serious that the minister in charge of the department, the man who is administering this department, would not express an opinion. I know his goodness of heart and I am quite sure that

personally he would be of the opinion that all these cases should be looked into, whether they occurred on January 1 or February 1, as from the date this review started and the board of pension commissioners took it into their heads to examine into the civil status and the morals of those who were in receipt of pensions.

I wish to appeal to the minister, to the committee and to the government, because probably this is the last occasion this session when this matter can come up, to pass legislation dealing with these cases. In this attempt to clear up the matter the minister says these people have no complaint, that they are drawing their pensions. There is no security in the world that they will continue to draw their pensions. I do not know yet under what authority they are being paid now. It was suggested that they might be paid under the relief act, but I do not know under what authority they are being paid. In any case it is only a temporary expedient and cannot last beyond this session unless a special order in council is passed under the relief act. Even that will not give security to these pensioners; as my hon. friend from Comox-Alberni has pointed out, they are only getting deeper in the hole. You are paying their pensions now, but one, two or three months hence it may be decided by someone —I do not know by whom, because apparently there is no legislation to cover the case—that they are not entitled to these pensions, and they will only have to give back the money. The minister points out that these cases may take a year to review, and that those in foreign countries may take two years.

Mr. GUTHRIE: No; the pension board say they may not be able to send them over for a year.

Mr. POWER: That is worse still. The pension board say they may not get the cases to the Department of Justice for a year, but as one of my hon. friends points out, they must know a great deal about those cases. The pensions were cut off, and I have not the slightest doubt that they must have received a very large number of letters protesting against this arbitrary treatment. It seems to me there must be a certain amount of deliberate delay on the part of the commission. Anyone who will endeavour to split hairs—as the pension commissioners did in the letter just read by the hon. member for Shelburne-Yarmouth, in which they say that because these people did not enter into a contract of marriage their case does not come within the number mentioned by the Prime Minister—anyone who will take a step of that kind and write such an evasive letter will take a year or two years or five years, I have no doubt.

Mr. GUTHRIE: But they are being paid in the meantime.

Mr. POWER: Yes, but what security have these people that they are going to continue to be paid? How do they know that if there should be a change of government and someone less big hearted than the Prime Minister came into power, they would be paid?

Mr. MACKENZIE (Vancouver): You are begging the question.

Mr. POWER: Another prime minister might say, "I am not bound by the decisions of a former prime minister"—because there are a great many of his decisions which I am sure would not bind hon. members on this side of the house. These pensioners have absolutely no security. They are not sure of getting the pension next month, the month after or the month after that. It seems to me that the only logical thing for us to do is to straighten out the whole matter by passing legislation at this session. I do not want legislation which will admit to pension people who are acting in bad faith. I have spent enough time on pensions in this House of Commons during the last sixteen or seventeen years, and so far as I know I have never endeavoured to bring within our pension legislation anyone who was not entitled to it.

Before taking my seat I should like to ask the minister whether or not any action was taken with respect to the Ouellette case. He will remember that last year the hon. member for Vancouver Centre, the hon. member for Shelburne-Yarmouth and myself drew his attention to a category of cases—

Mr. MACKENZIE (Vancouver): Disputed cases.

Mr. POWER: Yes, seven disputed cases. One was that Skitch case, which has since been decided by the appeal court. Another was the Ouellette case, and I do not remember the others. I do know that we had a lengthy discussion in the house with regard to these cases, and the minister gave us the assurance that they would be taken up and something would be done about them. So far as I know the Skitch case was the only one which has been decided. I shall not take the time of the house to read the decision of the court of appeal, but in their observations and in their judgment their remarks respecting the

board of pension commissioners were far from complimentary. They said that these were cases which should never have been allowed to drag so long. The Skitch case began in 1923, and from that time dragged on through the courts. It ran between the federal appeal board, the board of pension commissioners, the tribunal, and the appeal court, year after year. Finally the man who was entitled to pension died, and his widow obtained the pension. The Ouellette case is somewhat similar. It was a case in which the board of pension commissioners challenged the jurisdiction of the federal appeal board. When the federal appeal board was challenged these cases were left in the air. Some went to the exchequer court, and that court sent them back to the pension appeal court. So far as I know nothing has been done with them and for ten years they have been hanging fire. I would suggest that the minister should get some information to give the committee on that point.

I wish also to support the hon. member for Shelburne-Yarmouth in his observations with respect to the proceedings of the auditor general. I find in a report of the special committee on pensions and returned soldiers problems which sat in 1930 that the members of the committee, of which the minister was one and the Minister of Railways and Canals was another, protested vigorously against any assumption by the auditor general that he could act as a kind of appeal court from the board of pension commissioners. At that time it was brought to the notice of the committee by the returned soldiers' organizations, by Lieutenant Colonel Lafleche and others that the auditor general had been going into the department and to all intents and purposes had been reviewing cases. The reference is to be found at page 179 of the report. At that time the intervention had not gone very far, but considerable indignation had been expressed by members of the committee. I regret to learn that the auditor general has taken it upon himself again to intervene in matters of pensions. It was pointed out before this committee, as has been pointed out to-night in committee of the whole house, that the auditor general does not interfere with decisions of the exchequer court or of the supreme court, and he has no more right to interfere with decisions made by the board of pension commissioners. The board of pension commissioners were appointed to act independently of parliament in rendering decisions. They were to act independently of the minister, and were supposed to have the widest possible powers to deal with matters of pensions. I protest against the auditor general trying to arrogate to himself the power to overrule decisions of what, after all, is the competent court to deal with such matters.

Mr. MacLAREN: I must confess that I am not familiar with the Ouellette case, but shall make inquiries.

Mr. POWER: There are six other cases in the same category.

Mr. MacLAREN: I know that the Skitch case has been disposed of.

Mr. MACKENZIE (Vancouver): It has not yet been disposed of.

Mr. MacLAREN: The hon. member for Quebec South has said that I should give an opinion. I do not think I should. I have been doing just what the hon. member for Quebec South would have done if he had been acting under similar circumstances. What is the position? All these marriage cases are being referred to the Department of Justice and to the minister of that department for the purpose of obtaining an opinion. From that department an opinion will come. But can one suppose that the minister of the Department of Pensions should give an opinion of his own, in the meantime?

Mr. MACKENZIE (Vancouver): Yes, certainly.

Mr. POWER: Certainly.

Mr. MacLAREN: Not at all.

Mr. POWER: Absolutely.

Mr. MacLAREN: It is impossible. The matter has been referred to the Department of Justice, because the question as to legality or otherwise is one which should be decided by that department.

Mr. RALSTON: The minister said not.

Mr. MacLAREN: It has been referred for that purpose, and in the meantime it is clearly my duty to wait until we have heard from the Department of Justice.

Mr. POWER: I will just say one word in reply to the minister. He has asked me what I would have done. I would say to him that I would never have allowed this matter to come before the house. The very minute I heard that the board of pension commissioners were interpreting the Pensions Act in such way as to deprive people entitled to pensions of their just rights—people in situations such as have been described by the hon. member for Shelburne-Yarmouth—and when I found that the board of pension commissioners were bastardizing people through-

out this country and stating that people who had been living together for years were living in adultery, I would have taken steps to meet the situation and to have legislation passed. That is what any other minister would have done; every time a case came before him and he found he had no authority to act, when clearly the interests of justice demanded that the case should be dealt with, he came before the committee of the house, explained the case to the members, and in every instance the thing was passed unanimously. It is not the business of the Department of Justice; it is the business of the Department of Pensions and National Health, and the business of the minister of that department. If this act is being badly administered by the board of pension commissioners; if the board find that they have not the power to do thus and so, or if the act does not permit them to do thus and so, when it is brought to the attention of the minister, if it is a clear case of injustice such as this, it is his duty to come to parliament and get remedial legislation.

Mr. RALSTON: Let me read what the Minister of Justice himself said:

> I fully realize the difficulty which has been so well stated by my hon. friend from Shelburne-Yarmouth (Mr. Ralston), and at the present time I cannot see what advantage is going to result from a reference to the Department of Justice in regard to these cases.

The Minister of Justice realizes fully what the situation is. Let me press on the minister what is the remedy and what should be done.

Mr. MacLAREN: Which minister?

Mr. RALSTON: The Minister of Pensions. He says that he is referring these cases to the Department of Justice. Let me suggest that he stop referring them to the Department of Justice and ask the Minister of Justice to do what he has done to-night, give him a cross-section of the cases already there. I think 160 cases will represent a fair sample of all the cases there are, and in those cases the Minister of Pensions will I think find type cases of every difficulty which has arisen. Then let the Minister of Pensions bring down legislation to cover the good faith cases, and he will not have to refer any more of these cases to the Department of Justice. He will get that legislation through parliament in a day or less than a day, for I know members on both sides will support it. That is the way, I submit to my hon. friend, to administer the department. I quite understand that he is not deciding for the board, but if the board say they want legislation, and if the minister feels he is helpless and is simply referring these cases to the Department of Justice, let him take the board at its word and say: You want legislation; here it is. And it will be passed unanimously by the house. I say that the minister has all the information now, or can get all the information he wants in regard to these cases from the Minister of Justice. The minister nods his head.

Mr. MacLAREN: Not all of them.

Mr. RALSTON: With deference I am not going to take that from the minister. He has thirty-one cases in which there is no good faith. He has sixteen cases in which a new marriage would cure the difficulty; forty-three cases in which the onus is on the commission, and twenty-five cases to practically the same effect. He has divided them into Group 1, Group 1A, Group 2 and Group 2A, with most meticulous care. He has an excellent cross-section now, samples of all the cases that can be submitted. Why not then have legislation? Why go through this pitiful procedure of filtering these cases through to the Department of Justice, and have the board make a laughing stock of us all by writing us letters to the effect: "We are sending you a few more cases to-day, and it will be the end of the year before we shall be finished, and after that we have to look after the cases which are outside the country." That is simply delaying the thing and making everybody look ridiculous. This is a case that demands attention. The Minister of Pensions and the Minister of Justice are right in saying that these men are receiving pensions at the present time except in the cases I have mentioned. The board can send out a notice to-morrow for these men to come up for review, and the minute they come up for review they can charge up to them the extra pension they have been paying them in the last few weeks since the Prime Minister's undertaking has been made good. The position in which these ex-service men are now is not the position in which the Prime Minister and the government want to place them. Why not deal with the situation manfashion, and get it cleaned up? That is the reason we are asking the minister to give us some assurance now in regard to legislation because, as has already been mentioned, this is probably the last opportunity that we shall have of discussing pension matters unless a special occasion is made for the purpose, and we all want to expedite a matter of this kind in every possible way.

Mr. STANLEY: I wish to refer to the matter of the auditor general insinuating himself into the question of entitlement. What is the relation of the auditor general to the board in connection with entitlement? Has he the power to inject himself as a judge, an intermediate judge, as it were, into these cases, or has the board of pension commissioners requested him to come into the picture? I have had several of these cases brought to my attention, and in not a single case could I see where the auditor general could have any capacity to determine whether the claimant was entitled to the pension he was receiving. One particular case which is in my mind very distinctly is that of a soldier who returned disabled from overseas in 1918. He was granted pension immediately upon his arrival and received pension continuously ever since till early in 1934, for sixteen years or thereabouts after his return, when he was cut off because the auditor general stepped in and said he did not consider the man was entitled. When I mention the nature of the disability the minister himself will understand the difficulty in determining entitlement under those conditions. It is a case of double hernia, one of the most difficult and embarrassing cases which come before workmen's compensation boards in the provinces for determination.

Mr. RALSTON: Will my hon. friend permit me? A disability of that kind is not in the table of disabilities, is it?

Mr. STANLEY: No.

Mr. RALSTON: And it has to be assessed by a doctor's opinion?

Mr. STANLEY: Yes, and it was so assessed, but the auditor general, according to the communcation which was passed on to me, injected himself or some of his officials into the case and replaced the medical man, setting himself up as an authority on questions of this kind. As I said, it is one of the most embarrassing and difficult questions which experts and referees for workmen's compensation boards have to determine. Yet the auditor general decided promptly to cut the man off and he has received no pension since. Personally I think it was a piece of arrogant insolence or insolent arrogance for the auditor general to inject himself into a case of that kind in that way, and I would like to hear the minister say that so far as he knows the department had nothing to do with it. Certainly the board of pension commissioners should make certain that in respect to the question of entitlement at least, the auditor general should not replace the medical experts of the department.

Mr. MACKENZIE (Vancouver): I want to emphasize one point, and that is that those of us on this side of the house would like to have the assurance from the minister to-night that the government will during the present session take definite action to ensure a permanent solution of this problem. Personally I appreciate, and I think everyone does, the action that was taken by the Prime Minister as indicated in his declaration of the thirteenth day of February, and I assure the minister that that action is appreciated by all the ex-service men throughout the dominion. But speaking for myself I do not so strongly appreciate the attitude taken by the Minister of Pensions. The Minister of Justice has been very candid in delineating the various cases coming before the Department of Justice, and I submit to the Minister of Pensions that he has now sufficient information in his possession upon which to base legislation for an immediate and permanent solution of this problem. I am not prepared now or at any other time to permit this item to go through until we have a declaration from the Minister of Pensions that it is the intention of the government to effect a solution of this problem by legislation, if necessary, during the present session. That is a fair statement of the situation. I think the minister can this evening get up and indicate to this committee that before this session is terminated the government will deal in a permanent way, by legislation if necessary, or otherwise with this very important problem.

Mr. MacLAREN: If a solution is not arrived at within a reasonable time, legislation will be introduced this session.

Mr. MACKENZIE (Vancouver): Will the minister give the committee an assurance that if a solution of a permanent nature is not reached during the present session, an opportunity will be afforded of discussing the matter even though this item is allowed to pass this evening? I do not wish to be deprived of the opportunity of raising the question and I want the assurance of the minister that we will have an opportunity some time before the session is terminated to discuss it in its entirety.

Mr. MacLAREN: I promise the committee that an opportunity will be given if it is found necessary again to raise the question.

Mr. GUTHRIE: We have reason to hope that a solution will be found in the very near future, but, as I intimated some weeks ago, it may be that we will have to resort to legislation. If that becomes necessary, we certainly shall do so.

Mr. SPEAKMAN: I am glad to hear the statements of the Minister of Pensions and National Health and the Minister of Justice. They obviate the necessity of my saying some things which I had intended to say. In common with other members of the committee, particularly with those who have worked on the pension committees from year to year during the last twelve to fourteen years, I have had many cases of this type drawn to my attention. As I read the statements of the Minister of Justice and the Prime Minister made some weeks ago—unfortunately I was not present in the house—I realize the difficulties referred to by the Minister of Justice. It may be that if the law is strictly interpreted, and the Department of Justice must do that, in many cases the decision will be against the pensioner, that is, that the marriages were not actually legal. I agree with the Minister of Justice that there are many cases where the marriages were not valid when considered according to the strict letter of the law, but in common decency and in common equity these cases should be treated as though the marriages were valid. In many cases the parties thought they were married; they married in good faith. Sometimes a death was assumed or a divorce had been granted in another country which was not valid here. Legislation of some sort may be necessary in order to cover these points. I had intended bringing a few cases before the committee but I shall not do so in view of the promise made by the Minister of Justice and the Minister of Pensions and National Health.

While I am on my feet I should like to add my word to what has been said as to the jurisdiction assumed by the auditor general. As has been stated, the committee of 1930 understood that it was the duty and responsibility of the auditor general to examine pension payments to make certain that the amounts paid conformed to the decisions rendered. But we found that the auditor general had constituted himself as a sort of appeal court to decide questions of entitlement, of diagnosis, as to whether a pension should have been granted or as to whether a disability was attributable. The committee resented this very keenly and I think the pension commissioners did also. It was our understanding that in view of the strong expression of unanimous opinion, that practice would come to an end. I regret extremely that the practice still remains. As a matter of fact, I have had evidence that it still continues. I know of cases where pensions have been discontinued because such decisions have been made.

There is one other point with which I should like to deal, the policy of reductions in pensions. I wholly accept the minister's statement that it is not the policy of the government or of the department to reduce pensions. However, there is a firm conviction in the minds of a great many returned men, a conviction which I share after having perused many of the files and discussed many of the cases, that in many instances this is the policy of the pension commission. Two or three years ago whenever a pensioner appealed to me stating that his disability was increasing and his pension had become inadequate, I always made an effort to have a reboarding. I felt that as a result of a reboarding his pension would be increased, but during the past two or three years I have been very reluctant to advise a reboarding, no matter how obvious the case appeared to me. My experience and that of others has been that in many cases the reboarding ended in a reduction of pension no matter what was the condition of the man. Barring the weaknesses in relation to disputed marriages, I believe we have as good a pension act as there is in any country. I doubt whether it needs to be amended, but I do think a little more sympathetic consideration and wider interpretation should be given in many cases. As the result of the general feeling in parliament and the almost unanimous expression of opinion by the convention of returned men held here not very long ago, I hope some changes will be made along these lines.

Mr. RALSTON: Let me say just one more word in connection with the case I referred to previously. I want to emphasize the desirability of having dependents' pensions appealable. I realize the difficulty in having the amounts of pensions appealable in disability cases, but I refer particularly to the cases of fathers and mothers, where you have to decide the financial condition, whether the son would have supported them had he lived, whether the son was supporting them when he was alive and whether there would be what they call prospective dependency. It seems to me that these things should not be left entirely to an investigator. I have the file of the case to which I referred a little while ago, that of two old people who

have two sons dead in France. I think their case points what I am trying to show. At the time these boys were last home on leave they persuaded their parents to purchase a little home and assured them they would assign $20 a month. The boys lasted just one year in France, both being killed. The result was that the parents had to borrow money in order to pay for their little place. They are now lamenting the fact that their future is mortgaged to the extent of $300—it is a pitiful case—and in addition they had to borrow $100 last winter in order to provide groceries and fuel. Yet these people are receiving from this country only $10 a month. As I said before, the award was originally $20 but according to the file that figure was struck out by some kind-hearted person and the figure "10" put in its place. If the board of pension commissioners cannot do any better than that, there should be an appeal. If the minister is considering legislation, I think appeals should be provided for in dependent cases.

Mr. MacLAREN: Before the discussion on this item concludes, and in order that there may be no misapprehension, I should like to say a word as to the auditor general. The auditor general was not invited to come to the department or to the pension commission and take part in arriving at decisions as regards disability and assessments. But it must be remembered that he has a duty in connection with the department and the commission, as he has with all departments. He goes beyond that, however; he is going beyond it, and personally I cannot concur in that action where I think he exceeds the functions we should consider sufficient and all that is justifiable. That is something I have recognized and I propose, so far as I am able, that the matter shall be taken up in responsible quarters to see what can be done.

Mr. SPEAKMAN: Can the minister tell me how many public sittings have been held by a quorum of the new Canadian pension commission since the last amendment came into effect, and after the tribunal was dissolved? I ask that question because at the time that amendment was passed there was a difference of opinion as to the possibility of a commission of that size dealing adequately with public hearings. When the tribunals were in active service, four and five quorums were sitting at all times in different parts of the country, and it was doubted whether the commission would be able to deal with the situation. That is why I ask the minister whether he can give me the full number of public hearings held by quorums of the commission since the new act came into force.

Mr. MacLAREN: I have not the figures. I think that question was on the order paper not long ago and the figures can be found. If not I know that they are obtainable and will let the hon. member have them.

Item agreed to.

Unemployment relief, $2,100,000.

Mr. MACKENZIE (Vancouver): Will the minister leave one item open in his department?

Mr. MacLAREN: I am willing to leave any item open if the hon. member will indicate one.

Mr. POWER: I suggest that you leave unemployment relief, item 185, which is a large item.

Mr. MacLAREN: Very well.

Mr. MACKENZIE (Vancouver): On the understanding that we may discuss any item under it.

Item stands.

War veterans' allowances, $1,650,000.

Mr. MACKENZIE (Vancouver): During this session we have been criticizing several items in the department administered by the minister. I wish now to say a word of personal commendation with regard to the administration of the war veterans' allowance committee. Personally I can say that in a number of cases which I have brought to their attention I have received nothing but the greatest courtesy and consideration on behalf of those who thought they were qualified for entitlement under its administration. I wish to commend the committee heartily and especially its chairman for the wonderful work being done.

Mr. POWER: I am not quite sure that the sum devoted to it should not be increased. As I remember the discussions that took place in committee with respect to war veterans' allowances—and I know the minister must recall it—we were given the impression that for a number of years at least the amount expended on war veterans' allowances would increase. I got the impression at the time that there would be a rather steady increase until about 1945, as the returned soldiers reached the age of sixty and came within the purview of the act, but apparently it has not worked out that way—

Mr. MacLAREN: Yes, it has.

Mr. POWER: —and I should like to know what the explanation is.

Mr. MacLAREN: First of all may I say to the hon. member for Vancouver Centre

how pleasant it is to hear words of commendation with regard to an organization which I know is doing its work very well. The vote for last year and the present year as well may not indicate an increased expenditure, but the fact is that the expenditure has increased, and I shall be pleased to send the hon. member a statement showing the amount actually spent. I think he will see that there has been an increase. But there is something more than that, because I expect that I shall have to come to the house again for a supplementary estimate. I am advised by the committee that they expect me to put in a supplementary this year.

Mr. POWER: May I join with my hon. friend from Vancouver Centre in paying tribute to the manner in which the War Veterans' Allowance Act has been administered. I do so with perhaps greater pleasure in that personally I was one of those who, when this act was first introduced, did not believe it would work. I am pleased to admit that I had not a proper appreciation of how well a government board could function. The War Veterans' Allowance Act was introduced in 1930 by Doctor King, then Minister of Pensions and National Health, and I do not think any bill introduced during that session met such a storm of abuse and opposition. But strange as it may seem, it is perhaps the only piece of soldier legislation which has ever been put before this house during the past fifteen years that has been an unqualified success. The opposition of the day, and a great many on the government side, did not believe that the act could possibly operate properly. A good many of us did not believe in the principle of it. Before the committee objections were made against it. But, largely owing I think to the tact and ability it has shown and to the fact that it has been let severely alone, the board has received praise from all sides; I think there has hardly been a convention of the war veterans' associations or of the legion at which resolutions complimentary to this board have not been passed. I think we should say these things and give some credit to Doctor King on whose initiative the legislation was placed on our statutes. Doctor King was often severely criticized the same as the minister who is at present carrying on the affairs of the department; the opposition to his estimates was always very energetic, but I think it must be some consolation to him that he did put on the statute books one piece of legislation which is generally recognized as being sound.

Mr. MacLAREN: Perhaps when my distinguished predecessor was criticized it was no more deserved than in the case of the present minister.

Mr. MACKENZIE (Vancouver): A home run.

Mr. MacLAREN: I am pleased to hear this said about my predecessor, because naturally I have seen a good many instances of the kindly and benevolent spirit in which he administered the department; it has been an example to me. Further let me say that this legislation I understand did not proceed from a committee. It is a valuable lesson to have that where one wants a great many things done well one should do them and not go to a committee. Then in reference to this allowance, there is a point which has not been mentioned but which comes under my observation: an advantage in connection with the war veterans' allowances is that it results in a decrease in the number of cases that go to hospital. It gives a comfort to them, and they prefer staying at home.

Mr. RALSTON: I want to say a word regarding this act. I am expecting, and I think probably the minister is expecting, that it will not be long before the provisions of this act will have to be somewhat widened. The War Veteranss Allowance Act was designed to take the place of all the schemes and plans which had been put forward along the lines of soldiers' homes and care of soldiers and burnt out veterans, that is those suffering from something other than war disability, old soldiers whom the country did not want to see on the street. The principal provisions are, first, that any old soldier in need gets old age pension ten years earlier than other citizens; second, that a soldier who is permanently unemployable gets an allowance, and third, that one who is getting a small pension will have it supplemented. It is the provision as to "permanently unemployable" that seems to me may have to be extended before long. Whether a man is permanently unemployable depends of course on the judgment of medical men. But as they get older it seems to me the country will have to give much more attention to these men who have served overseas, who may not be suffering from war disability but whom the country wants to see taken care of. I would ask the minister and his officers to give consideration to the possibility of extending that provision, perhaps making it less rigorous as far as unemployability is concerned, with the idea of taking care of a greater number of men. It would be good business economically to do it; he will not have as many applying for hospital

care and meritorious or compassionate allowances if they are paid something from the treasury of the country and kept self-respecting.

I join with my hon. friends in what they have said in regard to the administration of the board. In my experience it has been uniformly good. That does not mean that all applications have been granted by any means, but that there has been sympathetic attitude and wisdom and soundness in the board's actions which has reflected credit on their administration and been most satisfactory to those interested in the problems of ex-service men.

Mr. MacLAREN: I may say to the committee that what the hon. member for Shelburne-Yarmouth has just referred to in regard to the care of men with chronic disabilities, old soldiers, is being developed, and has been in course of development for the last few years. It is getting on slowly, not in the way of building soldiers' homes just now, but the men are encouraged to come into hospitals and make their homes there on a certain financial arrangement. When that becomes a little more recognized and developed I think it will mean that in the future there will be soldiers' homes for many of the men.

Item agreed to.

Progress reported.

On motion of Mr. Guthrie the house adjourned at 10.20 p.m.

Monday, May 7, 1934

The house met at three o'clock.

CANADIAN NATIONAL RAILWAYS

Hon. R. J. MANION (Minister of Railways and Canals): Mr. Speaker, I desire to lay on the table of the house the report of George A. Touche and Company, chartered accountants, on their audit of the accounts of the Canadian National Railways for the year ending December 31, 1933, which is required to be made annually to parliament under the provisions of the bill passed last year. This report is in English and in French and will be submitted to the select standing committee on railways and shipping owned, operated and controlled by the government.

BUSINESS OF THE HOUSE

On the order for motions:

Mr. SPEAKER: When the house adjourns to-night at eleven o'clock by mutual consent it will remain adjourned until to-morrow afternoon at four o'clock.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

LEAGUE OF NATIONS—CANADA'S MEMBERSHIP

Mr. DORION:

1. How long has Canada been a member of the League of Nations?
2. What has been the cost for each year, including the year ended March 31, 1934, of Canada's membership therein?

Mr. BENNETT:

1. Canada has been a member of the League of Nations since 1919.
2. Cost of Canada's membership in League of Nations, including Canada's contribution to the League of Nations—maintenance of office of Canadian advisory officer—expenses delegates to assembly, international labour conference, and other league conferences—cost of publications and grant to Canadian League of Nations Society—

1919-20	$ 87,728 58
1920-21	226,459 13
1921-22	209,690 27
1922-23	223,177 66
1923-24	200,356 66
1924-25	193,771 74
1925-26	195,345 83
1926-27	190,268 08
1927-28	204,213 77
1928-29	219,526 76
1929-30	234,808 96
1930-31	245,674 97
1931-32	289,062 46
1932-33	278,018 29
1933-34	262,471 80

*JACQUES CARTIER COMPANY

Mr. GARLAND (Bow River):

1. Is the government undertaking any inquiry into the Jacques Cartier Company?
2. If so, will the report resulting from such inquiry be tabled in the house?

Mr. BENNETT: The answer to that question, so far as the present is concerned, is no.

MOTIONS FOR PAPERS

RELIEF WORK—DORCHESTER

Mr. GAGNON:

For a copy of all the correspondence, letters, telegrams, schedules, accounts and any other documents exchanged between the federal government, the Minister of Labour, the deputy minister, and all employees of the said department, and the Quebec provincial government, especially with the Quebec Prime

Minister, the Quebec Minister of Public Works, the Quebec Minister of Labour, the deputy minister of the said Quebec department, and other Quebec provincial employees, with respect to relief work carried on in the county of Dorchester, under the relief unemployment act of the years 1932-1933.

DEPARTMENT OF INTERIOR EMPLOYEES

Mr. HANBURY (for Mr. Ahearn):

For a return showing:—

1. The total number of employees of the Department of the Interior retired since the 7th August, 1930.
2. The number of such employees who were on the permanent inside service at Ottawa.
3. The number of such employees who were permanent and employed outside of Ottawa.
4. The number of such employees who were temporary and employed at Ottawa.
5. The number of such employees who were temporary and employed outside of Ottawa.
6. The total amount of the superannuation allowances being paid to such employees who were employed at Ottawa.
7. The total amount of superannuation allowances being paid to such employees employed outside of Ottawa.
8. The total number of the retired permanent employees at Ottawa who have obtained permanent positions in other departments at same salaries.
9. The total amount of the annuities now being paid, under superannuation acts, to civil employees of the federal government, who were required, since 7th August, 1930, to accept superannuation, before they had reached the age of compulsory retirement which, under the present superannuation act, is 70 years.

TRADE WITH JAPAN

On the orders of the day:

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): Mr. Speaker, this morning the press gives emphasis to a dispatch from Great Britain to the effect that the British government has announced that in certain eventualities restrictions will be placed upon Japanese goods coming into all parts of the empire, and that this policy has been decided upon as the result of agreement with the colonies and of consultation with the dominions. Personally I assume that the report is not accurate, but I think it should be corrected immediately and therefore I would ask the Prime Minister if there has been any correspondence with the British government pertaining to the restriction of Japanese trade with Canada.

Right Hon. R. B. BENNETT (Prime Minister): There has been none of which I am aware. I thank the right hon. gentleman for directing attention to the matter, because the words of the message would indicate that whoever wrote it had an entirely erroneous understanding of the situation as far as Canada is concerned.

BUSINESS OF THE HOUSE

INQUIRY AS TO LEGISLATION TO BE INTRODUCED

On the orders of the day:

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): I should like to ask the Prime Minister again, with regard to the further legislation to be introduced, if any progress has been made with the elections act. There was one unmentionable act, or at least one that could not previously be referred to. I wonder if the Prime Minister is in a position to enlighten us to-day.

Right Hon. R. B. BENNETT (Prime Minister): There is no untouchable legislation in this country as yet. I have gone over the draft of the proposed elections act with some care, and I think a proof will be ready tomorrow, in which event I will be able at least to afford the right hon. gentleman an opportunity of seeing it. The legislation to which reference was made is hardly properly described in the terms used by my right hon. friend, but I will make an announcement with respect to it one day this week. In the meantime I may say that in the last few days I have carefully read the proposed legislation.

THE BUDGET

ANNUAL FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The house resumed from Monday, April 30, consideration of the motion of the Minister of Finance that Mr. Speaker do now leave the chair for the house to resolve itself again into committee of ways and means, and the amendment thereto of Mr. Ralston, and the subamendment of Mr. Spencer.

Hon. IAN MACKENZIE (Vancouver Centre): Mr. Speaker, I wish to rise to a point of order concerning the amendment to the amendment moved on April 30, by the hon. member for Battle River (Mr. Spencer). As Your Honour is aware an amendment was moved by the hon. member for Shelburne-Yarmouth (Mr. Ralston) which appears at page 2445 of Hansard as follows:

> This house regrets that the proposals of the Minister of Finance give no indication of the intention of the government to abandon the policies of economic nationalism which have proved so disastrous to Canada's trade.
>
> It is of the opinion that the immediate substitution therefor of policies which will promote export trade throughout the world is essential to any permanent improvement of

conditions in Canada, and to the successful application of other policies respecting credit and employment designed to effect this end.

Then the amendment to the amendment moved by the hon. member for Battle River is to be found at page 2676 of Hansard as follows:

That the amendment be amended by striking out all the words after "that" and substituting therefore the following:

This house regrets that there is no indication in the budget that the government intends to take any action to put an end to the unnecessary suffering of our people arising out of the policy of financial deflation, unwise and inequitable tariff policies and economies which inevitably lead to restrictions on the production and distribution of wealth. Such policies are responsible for the present condition of poverty in the midst of plenty.

And further, that this house is of the opinion that the control of national credit, which by the constitution is vested in this parliament, should be exercised immediately by the government so as to:

Provide sufficient purchasing power to enable our people to "loosen their belts," and to take full advantage, as consumers, of their ability to produce;

Then follow four or five other paragraphs in the amendment to the amendment.

First of all I should like to draw the attention of the house to the votes and proceedings for January 31, 1934, when the following resolution was moved by the hon. member for Camrose (Mr. Lucas) and seconded by the hon. member for Battle River (Mr. Spencer).

Whereas, the provision of an adequate medium of exchange through the issue and control of currency, is a fuction inherent in the state, and one which is wholly within the jurisdiction of the federal parliament, and

Whereas, the transfer of this function to private interests to be used as a means of profit, rather than as a public service, has enabled those controlling finance to dominate every phase in the industrial and economic life of the nation, and

Whereas, the depressed and chaotic conditions which now prevail would indicate that this financial control, as at present exercised has proved itself detrimental to the best interests of the people of this country;

Therefore be it resolved, that, in the opinion of this house, the government should give immediate consideration to the reassumption of this responsibility, and the creation of a national system of credit and finance, to be controlled in the interests of all the people, and under the jurisdiction of the federal parliament.

I recall that upon that occasion the right hon. Prime Minister (Mr. Bennett) rose to a point of order, stating that the entire question had been referred in the present session to the standing committee on banking and commerce. He used the following words:

As we shall have to debate these matters later, why should we prolong this discussion in view of what has been said, when we know that when these bills reach this house they will be discussed, and when they reach the committee be discussed again at still greater length.

So, while I find myself to a very substantial degree in sympathy with the amendment to the amendment moved by the hon. member for Battle River sitting to my left, I wish to raise this point of order: In the first place, in the amendment to the amendment I find these words: "suffering of our people arising out of the policy of financial deflation." That question has been specifically referred to the banking and commerce committee, as the result of a resolution by the hon. member for Quebec South (Mr. Power).

In the second place there is a reference to "unwise and inequitable tariff policies." That question is covered in the amendment moved by the hon. member for Shelburne-Yarmouth.

The remaining part of the amendment to the amendment deals with the question of national credit, and I submit that question is at the present time being discussed by the standing committee on banking and commerce. Inasmuch as the substance of the amendment to the amendment is now before the committee on banking and commerce, the only other reference in regard to "inequitable tariff policies" I submit is embraced in the mention of "genuine nationalism" in the amendment itself.

For these reasons I therefore submit that as a result of the deliberations of the committee on banking and commerce ample opportunities will be afforded to the house to discuss in every detail the questions of national credit, because that question has been definitely submitted to the banking and commerce committee. For those reasons I submit with all respect that the present amendment to the amendment is not in order.

Mr. SPEAKER: If no other hon. member wishes to speak to the point of order, I shall give my ruling. I am of the opinion that the objection to the subamendment is properly raised, as it seeks to deal with a matter already discussed at this session, and one which is at the present time referred to the select standing committee on banking and commerce. I therefore find the subamendment to be out of order.

Mr. DUFF: Quite right.

Mr. SPENCER: Mr. Speaker, I am very sorry, but I shall have to appeal against your ruling.

Mr. BENNETT: Did you decide it was out of order in whole or in part?

Mr. SPEAKER: A part being out of order I hold that the whole of it is out of order. That is my impression, on such short consideration. If the house would like me to reserve my decision, I shall do so.

Some hon. MEMBERS: No, no.

Mr. SPEAKER: Otherwise I see no reason to alter it.

The house divided on the question: Shall the ruling of the Chair be sustained? And the ruling was sustained on the following division:

YEAS

Messrs:

Arsenault
Barber
Beaubier
Belec
Bennett
Beynon
Bothwell
Bouchard
Boulanger
Bourgeois
Bowen
Bradette
Brown
Burns
Bury
Butcher
Cahan
Carmichael
Chaplin
Chevrier
Cowan (Long Lake)
Davies
Dickie
Donnelly
Duff
Duranleau
Embury
Ernst
Euler
Fafard
Fiset, Sir Eugène
Fournier
Fraser (Cariboo)
Gagnon
Gobeil
Golding
Hay
Heenan
Howden
Ilsley
Johnstone
Kennedy (Winnipeg South Centre)
King, Mackenzie
Loucks
MacDonald (Cape Breton South)
Macdonald (Kings)
Macdougall
Mackenzie (Vancouver Centre)
MacLaren
MacMillan (Saskatoon)
McGillis
McGregor
McIntosh
McKenzie (Assiniboia)
McLure
McPhee
Maloney
Manion
Marcil
Moore (Chateauguay-Huntingdon)
Motherwell
Mullins
Munn
Murphy
Myers
Nicholson
Perley (Qu'Appelle)
Perley, Sir George
Pouliot
Price
Quinn
Reid
Rogers
Ryerson
St-Père
Sanderson
Senn
Shaver
Short
Simpson (Simcoe North)
Smith (Victoria-Carleton)
Smith (Cumberland)
Smoke
Stanley
Stevens
Stewart (Edmonton West)
Stewart (Leeds)
Stewart (Lethbridge)
Stirling
Stitt (Selkirk)
Sutherland
Swanston
Tétreault
Totzke
Turnbull
Weir (Macdonald)
White (London)
White (Mount Royal)
Willis
Wright—100.

NAYS

Messrs:

Coote
Garland (Bow River)
Gershaw
Irvine
Kennedy (Peace River)
Lucas
Luchkovich
MacInnis
Macphail, Miss
Neill
Speakman
Spencer
Woodsworth—13.

Mr. McDADE: I was paired with the hon. member for Laprairie-Napierville (Mr. Dupuis). Had I voted I would have voted to sustain the Speaker's ruling.

Mr. ELLIOTT: I was paired with the hon. member for South Waterloo (Mr. Edwards). Had I voted I would have voted to sustain the Speaker's ruling.

Mr. MacLEAN: I was paired with the hon. member for Royal (Mr. Jones). Had I voted I would have voted to sustain the Speaker's ruling.

Mr. VALLANCE: I was paired with the hon. member for Wentworth (Mr. Wilson). Had I voted I would have voted to sustain the Speaker's ruling.

Mr. MITCHELL: I was paired with the hon. member for Toronto-High Park (Mr. Anderson). Had I voted I would have voted to sustain the Speaker's ruling.

Mr. PERRAS: I was paired with the hon. member for Stanstead (Mr. Hackett). Had I voted I would have voted to sustain the Speaker's ruling.

Mr. BOWMAN: I was paired with the hon. member for Skeena (Mr. Hanson). Had I voted I would have voted to sustain the Speaker's ruling.

Mr. BELL (Hamilton): I paired with the hon. member for Nicolet (Mr. Dubois). Had I voted I would have voted to sustain the Speaker's ruling.

Mr. BEAUBIEN: I was paired with the hon. member for Champlain (Mr. Baribeau). Had I voted I would have voted to sustain the Speaker's ruling.

Mr. HURTUBISE: I was paired with the hon. member for North Renfrew (Mr. Cotnam). Had I voted I would have voted to sustain the Speaker's ruling.

Mr. MacMILLAN (Mackenzie): I was paired with the hon. member for North Huron (Mr. Spotton). Had I voted I would have voted to sustain the Speaker's ruling.

Mr. RENNIE: I was paired with the hon. member for Toronto Northwest (Mr. MacNicol). Had I voted I would have voted to sustain the Speaker's ruling.

Mr. ROBINSON: I was paired with the hon. member for Portneuf (Mr. Desrochers). Had I voted I would have voted to sustain the Speaker's ruling.

Mr. SAUVE (Translation): I was paired with the hon. member for l'Assomption-Montcalm (Mr. Séguin). Had I voted I would have voted to sustain the Speaker's ruling.

Mr. J. A. BRADETTE (North Timiskaming): Mr. Speaker, before proceeding with my remarks I beg you to allow me to present to the hon. Minister of Finance (Mr. Rhodes) in my name and that of the Liberal party in this house our most heartfelt sentiments of sympathy in his great bereavement. May the depth and sincerity of our feelings lighten to some extent, if possible, the sorrowfulness of his deep mourning.

When I adjourned the debate the other evening I was asking a question of the hon. member for Winnipeg North Centre (Mr. Woodsworth). I was going to ask him about the statement which he made in speaking on the budget on April 23, 1934, as reported at page 2446 of Hansard:

> Personally I think that if gold is as necessary in the carrying on of our trade as everyone seems to imagine, the only permanent solution would be for the government to take over the gold mines. They could then keep the miners at work on a reasonable wage scale; they would then be able to collect this fortuitous gain instead of turning it over to private individuals.

The question I would ask my hon. friend is how is he going to proceed with the expropriation of our gold mines? I have studied very impartially the platform of the C.C.F. party and I observe that one of the main planks of their platform is the nationalization of our industries. But there are certain details of that policy of which it is only right that this house and the country should be seized, and especially when the leader of that party picks out a particular industry and says that he would nationalize it for certain reasons. What would be his procedure in nationalizing this particular industry? Would he nationalize only the mines that are on a dividend basis, or only those that are not paying their way at the present time or the whole of them.

He should also tell the house of the conflict that there might be between federal and provincial authorities if this question ever became an issue. The leader of the C.C.F. party must surely be aware of the fact that all the gold mines and for that matter all the mines of this country are primarily owned by the provinces, and that all the grants have been made and all the prospecting has been done or regulated by the provinces. What would be the attitude of the provinces on the nationalization of the gold mines of this country? It is a well-known fact that more good money has been spent in promoting gold mines than has ever been made out of them. What would be the procedure of the leader of the C.C.F. party then? Would he have this country embark upon an enterprise in which in a great many cases there would be failure before it ever got started. That is one of the things which this house and the country at large has a right to know.

The hon. gentleman must also be aware of the fact that even with the high price of gold to-day only fifteen or sixteen mines in this country are on a paying basis. If his party were in office and he were in power would he propound the expropriation of the gold mines and the nationalization of the gold mining industry? What would be his procedure? What attitude would he take to the mine owner, and on what basis would he award compensation to the owner and shareholders? These are things which the people have a right to know when such a statement is made in this house by an hon. member occupying such a high position in his party. As I stated a few moments ago, I have studied from an impartial standpoint the policies and planks of the platform of the C.C.F. party and I believe that the hon. member owes it to himself and to parliament to state definitely what mode of procedure he would take in expropriating the gold mines.

Did the hon. member ever visualize, so far as gold mining is concerned—I am speaking of only that one industry—that practically everything that has been done in connection with our gold mines has been done on the personal initiative of the Canadian people, by prospectors and promoters and people who have developed these mines? Does the hon. member wish to create the impression that the government is more capable of running these mines than those who have had charge of them in the past? I would ask the hon. member to answer these questions on the next occasion when he speaks of this matter because, Mr. Speaker, this house and the country have a right to know what procedure the hon. member would adopt in respect to our gold mines, and if he is going to single out one particular industry, one part of our national life for nationalization, why not widen the scope of his policy and nationalize every single industry?

When I adjourned the debate on the budget the other evening I was speaking on the gold tax. I had said that I was in harmony with previous speakers, even on the government

side, who had pointed out that the ten per cent gold tax was an onerous one not only in the view of the gold-mining industry of this country but also of citizens who are familiar with the situation. Apparently in this matter, as in so many others, the government leapt before they looked and then found themselves in a very awkward position. We were told last week by the Prime Minister of the changes that had been made in the tax. The changes are good in themselves, but surely the government does not deserve any credit for stating nearly a week ago that they had withdrawn the tax on gold as originally brought down and were going to apply the tax only to those mines that were on a paying basis, because everyone knows that you cannot get blood out of a stone. The government should have known, if they had taken the trouble to give the least study to the gold-mining situation in this country, that a tax of ten per cent on all gold production was absolutely impossible of application for the very good reason that many mines are engaged in the treatment of low-grade bodies of ore and are not on a paying basis, and therefore it would have been impossible to get a single dollar of taxation out of them.

I have the greatest respect for the Minister of Mines (Mr. Gordon) and I do not think there is a member of the cabinet who is more familiar with mining. According to an interview reported in the press the minister stated that this form of tax was decided on because of the need for secrecy. It was secrecy with a vengeance because even the minister himself was not familiar with the tax. The government had a sad experience last year in connection with the sugar tax but this year they decided on secrecy, not only in connection with the people but in connection with the Minister of Mines. The minister was in a very unhappy position and if the newspaper reports are correct he was aware of this tax on gold only a few hours before it was put in the budget. That is what the minister said himself and now he says that for the sake of secrecy it was kept away from the people. Apparently it was also kept away from the minister, the man supposed to know the situation. If the government had desired information, surely the Department of Mines would have been able to furnish statistics to show that the majority of mines were not in a position to pay any taxation. If the government did not see fit to go to this real source of information, it would seem as though there was no necessity for this department. I repeat, I do not believe the country was treated fairly, and the minister certainly was not treated fairly.

I remember listening to the minister making a speech on Good Friday at the opening of a radio station at Kirkland Lake. This town is situated in one of the finest gold mining sections in this country. The minister stated that there would be no further load of taxation placed upon the mining industry. I believe the minister was sincere when he made that statement. These are questions which the people in my section and in other parts of Canada are asking. Speaking to the mining institute in Quebec a few days later he repeated the statement he had made at Kirkland Lake. Is the action of the government fair to the investing public? Is it fair to the gold mining industry and to the people of Canada? I am putting these questions to the government, more particularly to the Minister of Mines. I could read several editorial articles in weekly papers and periodicals published in northern Ontario, a section of the country vitally interested in the gold tax, but I shall not take up the time of the house. All these articles deplore the fact that the government did not find it possible to take the advice of the Minister of Mines, whom I am personally convinced is the best qualified man in the cabinet to advise the government on such a matter.

The government has realized that it cannot go any further with a certain aspect of that taxation. It has realized that it would be absolutely impossible to get money from the corporations which are not on a paying basis. This one industry has been singled out but in a few moments I shall give particulars of other industries which are paying enormous dividends but which have not been touched. The government realized that the tax on sugar imposed last year was very unpopular so they decided to cut that tax in two. In order to make up the loss in revenue they decided to tax only one industry. The gold mining industry is just as ready as any other industry to pay its share of taxation. It realizes that the government must raise money to run its affairs. There is one point in connection with the sugar tax to which I should like to refer. This tax made the Canadian people realize that no matter what a government might promise, no matter what an old or new party might promise, the ratepayer has to pay. Every time a citizen of this country took a cup of tea, generally three times a day, he was made aware of the fact that the money necessary to run the government and implement

promises had to come out of the pockets of the people. The government realized the unpopularity of that tax. They decided to decrease it and tax just one other industry, leaving dozens of industries paying larger dividends than the gold mining industry free of taxation.

The government hopes to raise $9,000,000 with this tax. No matter what the government may say, grievous injury is being done to this industry. I believe the strongest argument on the part of the government in favour of this tax was the fact that the gold mining industry happens to be located in the newer centres of population. In its wisdom or rather unwisdom the government thought that this tax would be popular because the larger centres would not be directly affected. But it did not take the government very long to realize that every citizen of this country was connected with gold mining, either directly or indirectly. The country is like the human body, no one section can suffer without other sections being affected. If the government does anything to paralyze the development of gold mining, injury will be done to the whole of Canada. It may be interesting to hon. members to know that during the last two years nearly 10,000 people have been able to get useful occupation in a new area in Quebec of only 100 square miles. What are those people doing? They are developing new gold fields in the province. The same thing is true in the northern sections of Ontario, Manitoba and some of the other western provinces, as well as in British Columbia. But the government has singled out this industry and is attempting to paralyze it. A few days ago the Minister of Trade and Commerce (Mr. Stevens) tried to build up a case against the gold mining industry. He quoted the words of the critic of the opposition, as follows:

> First, it is discrimination against a particular industry and, second, it is discrimination against particular sections of Canada.

That is true with a vengeance. I repeat the statement, the government thought it was doing a very fine thing and something which would be more popular than the sugar tax. That tax involved every citizen and the government thought that only a few people were interested in gold mining. But they found the situation to be absolutely different. The Minister of Trade and Commerce can go to the statistics of his own department and find that the Porcupine district each year purchases hundreds of carloads of British Columbia fir for mining purposes. Should anything happen to this industry in Ontario, the lumbering industry of British Columbia will be affected and the same thing applies to all the other industries of Canada. The minister went a little further and, on page 2652 of Hansard, stated.

> The people of this country have been doing their utmost to meet these obligations and now we find a sheltered industry—

When was any protection given to gold mining? Speaking in terms of premiums or subsidies, the government is not paying one dollar more to the gold mining industry than it is entitled to. It is stated that this industry has received millions of dollars through the increase in the price of gold but the government stopped the exportation of gold in order to maintain Canadian credit and the gold mining industry is not receiving a cent more for its product than is being paid on the world markets. The minister proceeded:

> —because I am bound to say quite candidly that it is a sheltered industry—which during this period of depression, owing to causes outside their own activities and capabilities entirely, have realized a tremendously increased income, while at the same time the costs of operation have not increased at all.

That strikes me as being very strange, and once more I would put this question to the Minister of Trade and Commerce. Since when has the gold mining industry of Canada asked for protection from any government? It has asked for none whatever. The minister however is fully aware of the enormous profits that have been made by other organizations; he knows what profits have been made by the Imperial Tobacco Company, for instance, the oil companies and the motor industry. The minister knows that they have been making tens of millions of dollars; yet the government has not found it possible to tax these enormous profits but instead taxes to the utmost a valuable primary industry. As was well pointed out by the hon. member for Nelson (Mr. Stitt), speaking on the budget, it was owing to the existence of this industry in Canada that we were able to weather the depression. And in face of this the government apparently is endeavouring, if not to destroy, at any rate to jeopardize and stultify this one particular industry.

The Prime Minister gives a great deal of credit to the Minister of Mines of Ontario. Now, I have every respect for that gentleman as well as for the federal Minister of Mines, who I am sure is familiar with the situation. But when it is suggested that others have not brought to the attention of the govern-

ment the critical position of the industry, I would ask hon. gentlemen opposite to consider the views that have been put forward by members of parliament as well as by other people to show how absolutely unfair and onerous this tax is. The hon. member for Nelson pointed this out, and other members of parliament have urged the government to recognize the unfairness of this taxation on one industry.

The Prime Minister suggested that the agitation against this taxation was started by the populace. Well, the sentiment of the people in this regard has been voiced by the newspapers, and the popular sentiment has been unanimous against this tax, from the Atlantic to the Pacific. In other words, no one could help being familiar with the situation, so that the government had to give way. I want to be fair to the government, but I want the government to be sincere. I am sure that had they given this whole question that careful analysis which it deserved, instead of trying to raise $10,000,000 from one industry alone, had they studied the question of taxation a little further, their attitude would have been different. Suppose they had remained adamant in the application of this tax, what would have happened? As we pointed out, it would have meant the destruction of at least 80 per cent of the gold mining activities of Canada.

In this regard I should like to quote briefly from an editorial which has appeared in a newspaper sympathetic to this government, a weekly paper published in the Timmins district, and fully conversant with the whole subject and also sympathetic to the federal Minister of Mines.

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

Mr. BRADETTE: With the consent of the house, may I be allowed to quote the following from the Porcupine Advance of Timmins:

> Most people are aware of the fact that the dominion Minister of Mines, Hon. W. A. Gordon, and the Ontario Minister of Mines, Hon. Chas. McCrea, have been giving their best efforts to secure a fair deal for the mines and the people. They have helped materially in securing what has been achieved, but it has not been enough. There should be a continuation of the fight for a complete square deal for mining.
>
> Incidentally, it may be noted that the tax on gold production promises to be the most unpopular act of the Bennett administration. There is a report to the effect that this gold tax matter may eventually result in the withdrawal of Hon. W. A. Gordon from the government ranks. Hon. Mr. Gordon is recognized as one of the most capable and most admired members of the dominion cabinet. His retirement would be a serious loss to Canada and a veritable calamity for the Bennett government. Hon. W. A. Gordon, however, knows the details of his departments, and he also knows the general situation in Canada. It would appear to be the part of wisdom for the Bennett government to still further amend the proposed gold tax legislation so that the mining industry should be helped, not hindered, and the Bennett cabinet should retain one of its strongest and most popular members.

Mr. J. EARL LAWSON (West York): It is with deep regret that I learned of the death of the wife of the Minister of Finance (Mr. Rhodes), and as the first member on this side of the house to address you this afternoon, sir, I take this opportunity, on behalf of the members on this side as well as of myself, of extending our most sincere sympathy to him in his bereavement.

The hon. member for Shelburne-Yarmouth (Mr. Ralston), the official critic of the official opposition, in his address on this budget adopted an expedient which is not at all unfamiliar to lawyers, namely, the setting up of some straw men in order to knock them down. Hence, though it was no part of the budget at all, he endeavoured to set up the problem of bimetallism and a turnover tax because, I suggest, he lacked the ability to make a strong, sound and logical criticism of the proposals which were contained in that budget. He concluded that criticism by moving a resolution, and in that resolution he was indeed more definite than in his criticism, because we find in the resolution one condemnation of this government for what was alleged to be its policy. In amendment, he moved:

> This house regrets that the proposals of the Minister of Finance give no indication of the intention of the government to abandon the policies of economic nationalism which have proved so disastrous to Canada's trade.

For a few moments I wish to consider the question whether the policy of this government is one of economic nationalism. When this government came into power in 1930 the world was already in the sweep of a vast depression and unemployment was rife not only in other countries but in Canada as well. In every country in the world there was a vast surplus of production of which it was desirous to dispose; and shortly before this government came into power Italy, the United States, France, Germany and other countries had increased their tariffs, so that Canada could not sell her exportable surplus in any of those markets. Each of these countries in turn had large exportable surpluses which they wished to sell in any market in the world, which they were willing to sell, not at prices representative of cost of production, but at

any price which could be obtained. The result was that Canada at that time was a fair field in which they might dump their surplus products.

Faced with these conditions this government did immediately increase its tariff and it increased the tariff not, as our opponents would desire to lead the electorate to believe, for the purpose of developing trade but for the purpose of using that tariff as a defensive instrument in the protection of Canada. Now, having taken a defensive measure, this government set about negotiating trade treaties in order that our trade might be increased. Treaties were negotiated with the component parts of the British Empire, and also with Austria, France and, if my recollection serves me rightly, with Germany. As a result of those treaties Canada has increased her trade and also the amount of employment. It is all very well for the hon. member for Shelburne-Yarmouth (Mr. Ralston) to compare Canada's trade in 1929 with her trade in 1933, but I suggest that a fairer comparison would be to compare Canada's trade in 1929 with world trade in 1929 and to compare Canada's trade in 1933 with world trade in 1933. If we make the comparison on that basis, this is what we find: World trade in 1929 amounted to $68,641,000,000 while in 1933 the world trade estimated, as the figures for all countries are not quite complete, is $22,000,000,000. In other words, world trade dropped 68 per cent between 1929 and 1933. If we turn to our great neighbour to the south we find that their total trade in 1929 was around $9,500,000,000 while in 1933 it was $3,381,000,000, or a drop of 65 per cent. If we take Canada's trade for the year 1929 we find that it was about $2,481,000,000 while in 1933 it amounted to $932,963,000, or a drop of only 62 per cent.

If during a period when world trade dropped 68 per cent and when the trade of our neighbour dropped 65 per cent, Canada's trade dropped only 62 per cent and if economic nationalism, so-called, is the cause of that favourable position for Canada, then I am in favour of that policy of economic nationalism. If when you add to that the fact that since 1933 Canada under the policies of this government has advanced from the position of a nation with an adverse balance of trade in excess of $100,000,000 to that of a nation with a favourable balance of trade in excess of $100,000,000, I say again that if that be economic nationalism, then I favour economic nationalism.

The hon. member for North Timiskaming (Mr. Bradette), who preceded me, spoke of the gold tax. His utterances in many instances were extreme. He reminded me of some of the hysteria that was published in some Canadian papers in connection with the gold tax. I only trust that in the next election all Liberal members on the opposite side of the house will invite the hon. member for North Timiskaming into their constituencies to tell the people that he and the party which he supports favoured the tax on sugar—

Mr. BRADETTE: Oh, no.

Mr. LAWSON: —as one which makes all people realize the necessity for taxation more than a tax on gold would do.

Mr. BRADETTE: Do not be too smart. Be your own self.

Mr. LAWSON: Any effort on my part to appear smart after following the hon. gentleman will seem very futile. Many wild statements have been made concerning the effect of the gold tax. The Northern Miner, probably admitted to be the mouthpiece of the gold mining industry, was certainly guilty of wild outbursts in the issue following the proposal contained in the budget, I do not think the hon. member for North Timiskaming would suggest that the criticism contained in that journal was either fair or in the interests of the gold mining industry.

Mr. BRADETTE: In the interests of the people.

Mr. LAWSON: Such an outburst only stimulates any tendency there might have been on the part of shareholders to liquidate their stock with losses to the selling shareholders. It is indeed with strange inconsistency that while the Northern Miner was roundly condemning this government for the great injury it was doing to the gold mining industry of this country, that same paper was carrying the most glowing advertisements for the sale of shares in gold mining companies, one of them in particular advising the public that gold shares had indeed "very attractive possibilities." One caption especially caught my eye; it said:

"How shareholders will be hit." "Dividend cuts coming."

If you then read the article you would find that it went on to tell how Hollinger, one of the gold mines, would lose an amount equal to seven of its periodical five-cent dividends and so would its shareholders. Let

us examine the situation in respect to that very mine. Hollinger has been in the habit for years of paying a dividend of five cents a month per share with a bonus of five cents a share in the twelfth month, or alternatively a dividend equal to five cents per share every four weeks. The public were led to believe that by the imposition of this tax seven of those dividends in succession would be cut off. What are the facts? In 1933 the Hollinger mine produced 481,279 ounces of gold and they sold that gold at an average price of $28.60 an ounce. Let me assume that in the year 1934 the number of ounces produced is the same. The price for gold having now advanced to $35 an ounce, they would sell every ounce of it, even after deducting the tax as originally proposed, at $31.50 an ounce, or after deducting the tax as now amended, at $31.42 an ounce. In view of prices this year, the same production would return to the Hollinger mine, after deduction of the tax, an extra $1,395,000. This would increase the earning of that mine from $1.16 to $1.45 a share or, in other words, a difference of twenty-nine cents a share. Therefore, instead of this tax having the effect of cutting off seven consecutive dividends from the shareholders of the Hollinger mines the truth is that with the same production that mine will be able to pay six more consecutive dividends of five cents per share in the year 1934. If you make a similar calculation in respect to the production of the Lake Shore mine, at the end of 1934, even after paying its tax, that mine should have an additional amount of seventy-two cents per share to distribute among its shareholders.

Under the amendment some exemption is made for low grade producers. Some of the wildest and most extravagant statements have been made with respect to the effect on low grade producers; a circular I have before me, issued by one brokerage house, says one hundred thousand men will be put out of work. If I understood the hon. member for North Timiskaming (Mr. Bradette) correctly, I think he put the figure at eighty thousand.

Mr. BRADETTE: I never mentioned eighty thousand.

Mr. LAWSON: Then I withdraw the statement; I thought I understood the hon. gentleman to say that this measure would cause unemployment in the mines affecting about eighty thousand men. I say this, sir: I challenge anyone to give concrete evidence proving that, even had the tax remained on low grade producers, it would have put one-half of one hundred thousand or one-quarter of one hundred thousand men out of work in this country.

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

Mr. LAWSON: No, if you please; I did not interrupt you. I have an argument I wish to make. I am not so sure, Mr. Speaker, that it is economically sound to help these low grade producers, so called, to continue to endeavour to get into production unless they have a reasonable expectancy of ore that will enable them to operate profitably at $25 an ounce for gold at least, if not at $20.67. What was the reason for the advance in the price of gold? If I understand it correctly it was because certain nations of the world accepted, temporarily at least, an economic theory,—that theory being that if you increased the price of gold you deflated or devalued your currency based on gold, and that in turn if you devalued your currency you increased the prices of commodities.

The acceptance of that economic theory,—plus another theory so far as the United States was concerned,—caused that country and some other nations of the world to increase the price of gold. If that economic theory is sound obviously when we get back to the days of prosperity the price of gold should be reduced by every country of the world, presumably by Canada as well. At that rate, sir, as soon as we get back to prosperity, down will go the price of gold and then, I ask, what will become of the shareholders who have been induced, by promoters desirous of selling stocks, to invest their money in low grade producers that cannot possibly exist except upon a very much enhanced value for gold? In view of that situation, sir, I am not at all convinced that it is economically sound to encourage these low grade producers to greater production, but out of consideration for the shareholders who have been induced to invest their money in them I support the amendment suggested by the Prime Minister in connection with the low grade producers.

Now, sir, I wish to deal with another aspect of this amendment. After declaring this government guilty of economic nationalism the hon. member for Shelburne-Yarmouth (Mr. Ralston) proceeds:

> It is of the opinion that the immediate substitution therefor of policies which will promote export trade throughout the world is essential to any permanent improvement of conditions in Canada, and to the successful application of other policies respecting credit—

I must confess, sir, that I am a little at a loss to know just what the other policies respecting credit may be, unless the utterance of the hon. member for Vancouver Centre (Mr. Mackenzie) to-day, in which he informed our friends in the far corner that he was in sympathy with the provisions of their amendment to the amendment, indicates that the old Liberal party is trying now somehow to crawl on the bandwaggon of inflation.

Mr. MACKENZIE (Vancouver): You are on it now; $35,000,000 last year.

Mr. LAWSON: It is quite apparent from the statement of the hon. member for Vancouver Centre that his idea of inflation and mine vary widely, but I will come to that in a moment. In considering the progress Canada has made under this government I think sometimes it is well to ascertain what is being said by people not resident in Canada, who cannot be accused of having a biased mind. A short time ago I noticed an article in the Saturday Evening Post by Mr. Isaac F. Marcosson. In comparing Canada's progress with that of our great neighbour to the south Mr. Marcosson said:

> —the index of the physical volume of Canadian business—the economic pulse of the nation—advanced by thirty-two per cent between February and November, 1933 that industrial production increased forty-three per cent in the same period—that purchasing power is up twelve per cent—

If this resolution, so far as it relates to some new credit system, involved what I anticipate it does, having regard to some of the speeches that have been made in this house, I should like to offer some views with respect thereto. Inflation, as I understand it, means the issuing of new money beyond the metal coverage now required by the Canadian statute or formerly required by international practice, and the use and distribution of that money by payment for public services. If we embark upon any vast scheme of the distribution of currency in excess of that which is available, of necessity we must print money without reference to metal coverage as a controlling factor or base, and if you do that I say you have uncontrolled inflation. Can inflation be controlled? In my opinion it can be controlled only in one of two ways. It can never be controlled by the agency of government so long as it may be affected by the whim of government. In my opinion it can be controlled only by a metal coverage or base internationally recognized or by the setting up of a sinking fund into which annually an amount of money raised by taxation is poured for the purpose of meeting the issued currency upon demand and at likely maturity. Inflation, Mr. Speaker, has been the last desperate effort of nearly all countries in distress; they have seized it as a drowning man grasps at a straw, but it has never saved any nation that has tried it. It has ruined commercially and economically every nation in the world that has been seduced by its charm.

I am one of those who admit that the present monetary unit, which is expressed in dollars, varies in purchasing power in relation to the value of commodities. I will admit, further, that in my opinion any monetary unit that varies in its relative value to prices of other commodities imposes in times of depression a burden upon debtors. An ideal monetary system would be one in which the monetary unit always held comparatively the same relative value to commodities. But the wit of man has not as yet devised such a monetary unit, and in this House of Commons I have not heard one suggested which in my opinion has those qualifications. I will further admit that I would be in favour of a reflationary policy if you could reflate and still have your reflation under control. But as I previously outlined I do not believe it can be controlled, except by the two methods I indicated. And the moment, sir, that you endeavour to put into effect any policy of inflation or reflation which is not automatically controlled, then I suggest you are getting away from the principle of sound money.

I have deliberately used the term "sound" in reference to money. I have used it because so much has been said about "sound" money. Some hon. member in this house has said that sound money is wholly unsound. What is sound money? Money is not like flowers, plants or animals of which one may have several species. There are only two kinds of money, sound and unsound. There is safe money and there is unsafe money. In my opinion sound money is safe money. One of my colleagues, the hon. member for Selkirk (Mr. Stitt) stated in this House of Commons that sound money has been sweet sounding for the receivers of interest, but that it has meant fury to the masses of Canadians. Mr. Speaker, with that statement I absolutely disagree. If sound money is safe money, then in my opinion it is sweet sounding to every man and woman in Canada who is in receipt of a fixed income, irrespective of whether that income be by way of wages, by way of dividends, by way of interest or by way of profits. Sound money to my mind should be sweet sounding to every wage earner in Canada. Sound money should be sweet sounding to every man in this country in receipt of a pension.

Sound money should be sweet sounding to every woman in Canada who is in receipt of a mother's allowance to help maintain herself and her children. Sound money should be sweet sounding to every aged person unable longer to work, and who is in receipt of an old age pension. Sound money, sir should be sweet sounding to every person in Canada who is in receipt of a fixed income, because that person knows that when he is in receipt of one of those sound dollars he can exchange it for a very reasonable quantity of other commodities, and that he will not have to have a thousand of those dollars to exchange for a loaf of bread.

Considerable has been said about the policy adopted by our great neighbour to the south. It has been stated that they have done very well through a policy of inflation, and that the steps they have taken constitute an inflation policy. That I cannot see. If I have appreciated it correctly, the Roosevelt policy in the United States has introduced into the monetary system two new principles. The first is the nationalization of gold and the second is the revaluation of gold. Neither of those steps amounts to inflation. The United States has about seven billion dollars in gold. On the presently accepted international standard of metal coverage of 25 per cent they could have currency in circulation up to twenty-eight billions of dollars. The fact is that the United States has not one-half of twenty-eight billions of dollars in currency circulation. I ask hon. members this question: How can you have a green back with a gold backing? In resolutions which have been discussed we have heard a great deal about the policy of this government being deflationary, about the value of the dollars being increased and thereby pressing down the prices of commodities. But surely, sir, the record of the relative value of our currency to those of other countries is a complete answer to that allegation. Let me point out that when the United States was on a gold dollar basis, the basis which formerly was internationally recognized, the highest average premium at which their currency ever stood was of 17 per cent. For a few days it did touch 21 per cent, but the average stood at 17 per cent. To-day we have had the government of that country tell us that the American dollar is worth only 59·4 per cent of what it was when it was the so-called gold dollar. Therefore, Mr. Speaker, the difference in its value should be about 40 per cent. If their money was at a premium of 17 per cent over ours at a time when they had a gold dollar, and it is now worth 40 per cent or 40 cents less, then to-

[Mr. Lawson.]

day the Canadian dollar should be at a premium of 23 per cent, if this government in turn had not been alive to the movements of the times, and if this government had been carrying out a policy of deflation of our dollar.

Then the suggestion is made in this house that arbitrarily we should cut interest rates. One hon. member has suggested that we should pass a statute whereby the interest rates on all our bonds should be cut by one-third, that the rates on bonds of corporations in Canada should be cut by the same amount, and that at the tail end of that statute we should have a provision whereby such changes would not come into effect until the government passed an order in council. Then, armed with this blunt instrument of a statute of repudiation to be propelled by the force of an order in council the Canadian people would go forth into foreign lands to wage economic war. Well, Mr. Speaker, I wonder what success we would have under such a system. Repudiation—and I say this in all kindness to the gentleman who advocated it —is to my mind nothing but a stupid remedy for a primitive nation. Gullible indeed would be the man who would lend money to this country unless he believed that the bargain for repayment would be carried out. Yet it is suggested that we should go to our bondholders outside this country and say to them, "If you do not accept bonds from us with your interest rate cut one-third, then we will pass this order in council." What chance do you think we would ever have to borrow money again from those people? Do you think they would accept our story, at a time when we might go back into a foreign market to get more money which is so necessary for the development of this country, if we said, "Well, we were bad little boys. True, we repudiated once, but if you will just lend us some money again we will be good little boys and never repudiate again." What a nice position for Canada.

Let me consider it from the standpoint of our domestic situation. Most of the advocacy of repudiation of our interest rates is espoused by those who go throughout this country and endeavour to paint a picture of vast corporations that have made enormous profits by grinding down the ordinary man, commonly called the poor; but let us see what we would do to these vast corporations if we should pass this statute of repudiation. The private corporations of this country have payable in this year 1934, $132,563,994, of which $115,278,081 is interest. So if we pass this statute of repudiation the first people

on whom we will confer a benefit will be these vast corporations, and to the extent of one-third of their interest of $115,000,000 odd, or something like a benefit of $41,000,000. That would hardly put much benefit into the hands of the individual holders who have invested their money in the bonds of these corporations. I will admit, Mr. Speaker, that if I were to be governed solely by the emotions of my heart, and not by the thoughts of my head, I might at times be inclined to favour a measure of repudiation especially when I go about the riding I represent and see the deprivation and want among many of the people. I am reminded that a great divine, I think it was Henry Ward Beecher, once wrote, "Where you find religion of the heart you have a fanatic. Where you find religion of the head you have a heretic. Where you find religion which is a combination of heart and head you have a Christian." I believe, sir, that if we are going to solve the problems of this country we must use our heads, as well as our hearts, and the solution in my opinion never will lie in repudiation.

May I ask one question: What man has ever improved his standing in his own community, even among his fellow-debtors, by repudiation? Not one. Now this nation is nothing but an aggregate of the individuals in this country, and just as no man can improve his standing in his own community by repudiation, neither can this nation, by repudiation, improve its standing among the nations of the world.

Something has been said as to why Canada has not adopted the policies in economic matters which have been adopted by the United States. Well, in the first place, sir, it must be realized that in international affairs Canada is not a pivotal nation. Unlike the United States, we are a debtor, not a creditor, nation. Unlike the United States, we have very little more gold than is required under the former international standard to back our currency. If, instead of shipping out of this country vast quantities of gold as was done by the Minister of Finance in the former Liberal government in 1927, 1928 and 1929, to meet our unfavourable trade balances of those years, we had been able to hold that gold in this country, I am sure that we could have gratified the desires even of our friends in the extreme corner by the additional amount of currency that could have been issued as safe and sound money. But Canada not being a pivotal nation in international affairs, being as we are affected to a large extent by conditions in the United States, being also affected as we are by conditions in the United Kingdom, we must at all times maintain our dollar within reasonable limits of the American dollar and the British pound sterling. Consequently, we have been very much in the position of a boy who sits in the middle of a teeter-totter. We have not had the pleasure, by enacting new monetary measures, of bobbing up and down on either end and obtaining that thrill, but nevertheless we have had a much more stable position, and when the game is over we are much more likely to have a settled stomach. Now in view of the fact that we must maintain the value of our currency relative to that of the United States and the United Kingdom it cannot be fixed by this government until some relative value is attained between the American dollar and the pound sterling.

In conclusion, Mr. Speaker, I believe that those who are shrewd observers will agree that in the first few years after confederation a great Conservative leader, Sir John A. Macdonald, made Canada, and history I think will record, that in the last few years of depression a masterful leader of the Conservative party, the Right Hon. R. B. Bennett, saved Canada.

Mr. THOMAS REID (New Westminster): Mr. Speaker, in rising to speak on the budget I would first of all like to join with others in expressing my regrets at the sudden loss sustained by the hon. Minister of Finance (Mr. Rhodes). I believe most members will agree with me that he is one of the best liked ministers in the house.

Within the limited time at my disposal it will not be possible for me to deal with all the matters brought down in the budget, and dealt with in the budget speech of the Finance minister, but before proceeding to deal with some of the points may I refer to a statement that was made in the debate by the hon. member for Stormont (Mr. Shaver) who a few days ago twitted me with advocating that white Canadian seamen be employed on the ships subsidized by this country, and also advocating a reduction in freight rates, while not agreeing with the policies advocated by this government. I have not the time at my disposal to go into that, Mr. Speaker, except to say that I can see no relation whatever between the proposals that I put before the house in regard to white seamen being employed, the question of freight rates, and not supporting the policies of this government under which the textile companies in this country have received

greater protection in the last four years than they ever had before. I was very pleased, however, to note that the hon. member stated he was in agreement with me that white Canadian seamen should be employed on our Canadian ships, and before the present session is over I hope to give my hon. friend an opportunity of showing his sincerity in that regard.

I think everyone in the house will agree that one of the great problems, if not the greatest problem confronting this country today is the railway problem. With a loss in trade amounting to over a billion dollars since 1930 it cannot be otherwise than a great problem. In fact, if the trade of the country had kept going down, it might have come to pass that we would not have required any railways at all.

The Minister of Railways and Canals (Mr. Manion) is quite fond, both in and out of the house, of blaming the Liberal party for the great railway expenditures that have been made. Only a few days ago the Minister of Trade and Commerce (Mr. Stevens) blamed someone else for these great expenditures. Speaking before a meeting of the board of trade in Montreal, he is reported as having said:

> The minister accused the business men themselves of being responsible for the heavy governmental expenditures of the past fifteen years. "Who opposed the Canadian government merchant marine project?" he asked. He wondered if the heavy machinery manufacturers, the business men engaged in the paint, varnish and lumber industries, had opposed the scheme. "On the contrary, the greatest pressure was brought to bear on the government of the day by those same business men to proceed with that program," he declared.

We have had the Prime Minister (Mr. Bennett) also making somewhat similar statements outside of the house. He has stated that the people themselves were to blame for the great expenditures to which we have been committed for our railway systems. I was rather amused a short time ago when I read of what had transpired in another honourable house not fifty miles from here. The question had been raised as to the usefulness of that house and one of the hon. members pointed out that many millions of dollars had been saved the country by that house not passing certain railway charters. If we are to go by those statements, it would appear that that honourable house is to blame for the great expenditures which have been made on our railways. According to those statements, that honourable house should have opposed the granting of most of our railway charters. The Prime Minister has had a great deal to say about competition ever, amalgamation never. I should like to point out that there is no such thing now as competition between the two railway systems of Canada. There is compulsory cooperation but there is generally no competition where there is cooperation, compulsory or otherwise. I am rather afraid that if the government keeps on lending or guaranteeing money to the Canadian Pacific Railway, our financial obligations will be so heavy that amalgamation will be automatic. It is interesting to note from a return brought down to the house that the total guarantees to the provinces of this country amounted to only $6,520,761, while the guarantee to the Canadian Pacific Railway amounted to $60,000,000; to the Beauharnois Power Corporation, $15,500,000 and to the steel corporations, $1,100,000. When Great Britain was making a guarantee to one of her shipbuilding companies to provide for the construction of what will be the largest steamship afloat, the loan of £4,500,000 was granted in order that employment would be given to the citizens of the country. But it is interesting to note that a first mortgage was taken by the government on the steamship itself. No such procedure occurs in this country; the Prime Minister simply guarantees without making any such proviso.

I suggest to the Minister of Railways that he cease blaming any particular party for the great debt of our railways. Such accusations will not solve our problem. In my opinion we should wipe off the books of the Canadian National Railways the large over-hanging debt which now appears. The government will have to pay this anyway and every year parliament is passing money to take care of expenditures and interest on the bonds of our railways. Refunding at a much lower rate of interest should take place immediately. The Prime Minister has stated that the bondholders are practically the owners of our railway system. I am sorry that I have not been able to obtain authentic information in this connection but I have been told that the majority of the bonds of the Canadian National Railways are held by American railroad corporations. If that is correct, it would appear that the American railroads are the owners of our railway system.

Mr. MANION: As a matter of information, would my hon. friend mind telling me where he got that information?

Mr. REID: I got it from a gentleman whose name I do not care to disclose. He gave me that information and that is why I placed a

question on the order paper as to who held the bonds. I think we should have this information and if my statement is not correct, it should be corrected.

Mr. MANION: The bonds of the Canadian National Railways; like other bonds of the Dominion of Canada, are held to a large extent by various investors in the United States. About three-quarters of the bonds are held in the United States by insurance companies, banks and individuals.

Mr. REID: My information was that the railroad companies had purchased large blocks of bonds.

Mr. MANION: Most of the railroad companies in the United States have not been able to pay the interest on their own bonds.

Mr. REID: But like our own railways, they have certain investments. Our own railways have investments in United States railroads, and, likewise, United States railroads have placed their funds in other investments.

I should like to refer for a few moments to another serious matter confronting the country, that of unemployment which has been steadily increasing since 1930. According to the official figures brought down in the house not long ago, in January, 1931, the total unemployed amounted to 132,000; this figure had increased to 355,806 in 1932; to 1,244,536 in 1933. The figures showed a slight decrease in 1934, there being 1,228,246 individuals receiving relief. I am not one of those who believe that unemployment as we know it to-day is something which will not be with us always. Machinery has displaced men to such a degree during the past twenty-five years that the great masses of our people can never hope to be engaged in industry. Until our government recognizes that unemployment is permanent I do not believe we will arrive at any solution of the matter. One of the most serious aspects of this matter is the question of our youth. I was surprised to learn that there are some 600,000 youths in Canada between the ages of nineteen and twenty-five. The greater proportion of these young people have no great outlook in life and I believe that most of them are to-day in idleness. To my mind that is one of the most serious aspects of the matter. We sometimes say that this is a war on unemployment. We spent in the last war many millions of dollars destroying life and surely it is not too much to expect that we could spend a great deal more to save life, in this one I think that is something well worth considering, especially from the point of view of saving the youth of the country.

I wish now to speak for a few moments regarding the debts of Canada. Every hon. member must be aware of the great burden of debt which is hanging over this country. When one realizes that the total value of our agricultural wealth for the last year was not sufficient to pay the interest charges in Canada, it is very striking indeed; and when we have reached the point where we are borrowing many millions to pay interest charges —not principal but interest charges—one must ask oneself—When will the end of this be? Personally I believe our debts will never be paid, and the sooner we realize that the better. I listened a few moments ago to the hon. member for West York who spoke about repudiation. It is no repudiation to call in those to whom you owe money and make a plain statement of the state of affairs in the country. I am not unmindful of what transpired in a country like Great Britain. After telling the people to tighten their belts she did not stop there altogether, but in good fashion went after the bondholders. In 1931 Viscount Snowden warned the country of the grave danger facing it, and after he had warned the people from his place in the House of Lords, the nation took stock and set to work to retrieve its position. Among other things it is interesting to know that Great Britain converted $10,000,000,000, more than the total debt of Canada, from a 5 per cent issue down to a 3½ per cent; yet we have hon. members in this house talking about repudiation if anyone gets up and suggests cutting the interest rate.

In my opinion the people are tired of being told to tighten their belts until such time as the bondholders and others are gone after. It surely is not repudiation if you call in the people who own the bonds and notify them that you can no longer pay because it is sapping the life blood of the country, and say to them, "We are either willing to give you your money back or give you 3½ per cent." If something of that kind is not done I am afraid the whole thing will be wiped out and they will be in danger of losing all.

I have not the time to go as far as I should like with regard to the debt situation because in most of my remarks I wish to deal with trade. But I believe that we should adopt the policies that have been adopted in at least eight or ten countries which, in setting their houses in order, have practically told bondholders that they will have to accept less. If we are to follow the example of any country, surely it is not amiss to suggest that we should emulate a country like Great Britain where, it is well to note, the bond-

holders, in good spirit, agreed to accept 3½ per cent. So that I cannot agree with my hon. friend when he talks about repudiation. Repudiation means wiping the whole slate clean and calling the debt off, and I am one of those who does not accept that suggestion. I do maintain however that the common citizens of the country are tired of being told to tighten their belts, because if some of them tighten their belts much more, both parts of the belt might meet. Many have been tightening their belts for the last three or four years and are now of the opinion that others who have not borne the brunt should come forward and show their true citizenship by agreeing at this time to accept a much lower rate of interest.

Mr. MacLAREN: Was there not a very distinct difference between calling in the British war loan of 5 per cent and issuing it subsequently at 3½ per cent and a reduction of interest on the bonds of the Canadian National Railways or of government bonds? The British war loan, I think my hon. friend will agree, was callable any year. It was issued on a certain basis, a certain interest for a certain number of years, and after the lapse of that time it was then callable any year. That was one of the conditions.

Mr. REID: Objections are always raised by some when anyone advocates the cutting of interest on bonds. We were told by the Prime Minister that tax free bonds could not be taxed until 1937. Well, since coming to this house I have seen many changes. I have listened to speeches by the Prime Minister against inflation and against unsound money. We have inflation now whether we like it or not, and we have gone entirely off the gold standard. I therefore lay little stress on the objection that we cannot do anything with bondholders. Let us go on as we are at the present time, and the bondholders stand a good chance of losing the whole thing. Of the dominion bonds, seventy-three per cent are payable in Canada, ten per cent in the United States and thirteen per cent in Great Britain, so that I cannot accept the Prime Minister's statement that the various bondholders throughout the world cannot be got in touch with.

The four western provinces are to-day carrying a load which is gradually crushing them and which might force some of them at least to repudiate their debts. It is said that we on this side of the house never make suggestions. Let me offer this suggestion. Allow the four western provinces to refund, the dominion guaranteeing that refunding; and as a guarantee from the western provinces the dominion could possibly retain the subsidies payable. That would be something in lieu of a guarantee put up by the dominion. At any rate, some such step will have to be taken. Take Saskatchewan, with $22,000,000 owing to this dominion; when can they pay it ? British Columbia has a debt of nearly $170,000,000, and out of an estimated income this year of $19,000,000 some $11,000,000 has to be paid in interest. How can these provinces carry on, with a great mass of unemployed and with such low prices prevailing for agricultural products? I repeat, instead of telling the ordinary people to tighten their belts we should go after those who have not borne any of the suffering which the great majority of the people have been putting up with since 1930.

I wish to speak now for a moment with regard to the gold tax. I was one of those who would have supported the speech made by the Minister of Finance with regard to this tax; I differ from some members on both sides of the house in this. But the strange thing is that, having heard two excellent speeches, one from the minister himself and one from the Minister of Trade and Commerce, the Prime Minister walked in one day and it was all changed. If anyone had spoken against it before the Prime Minister made the change, probably a dozen more members would have got up and upheld the ten per cent tax on gold as originally brought down in the budget. I am not, however, so optimistic as is the Prime Minister that the tax as amended will bring in the estimated amount of $10,000,000. It will be very interesting to know just what this country will have to pay for the political gesture because the Prime Minister specifically mentioned the Minister of Mines of Ontario and I am not unmindful that an election in that province is not very far off. It will be interesting to see at the end of the year how much money the dominion has lost through the change in that tax.

In the remainder of the time at my disposal I want to deal with the trade of Canada, especially with empire countries and in particular Great Britain since the Ottawa conference agreements were passed by this house in 1932. I should like to examine the trade figures in connection with those agreements and what has taken place since they were passed, because I am not unmindful of the rather boastful language of the Prime Minister in 1932 when he introduced the legislation covering those agreements and how he pointed to each hon. member on this side

and endeavoured to put the fear of political death in him by daring him to rise and vote against the Ottawa trade agreements. This is going to make a very interesting story, and I am just wondering whether all the things that are taking place now are just so much of a smoke screen to cover up what has occurred, particularly in Great Britain, since the conference agreements went into effect.

I am not again going to place on record the drop in trade figures since 1930 because that has already been gone into by some previous speakers. In passing, however, it is just as well to mention that our trade is still down by over $1,000,000,000, and to get as low a trade figure as we have in Canada at the present time we would have to go back to about 1914. The Prime Minister in 1932, in discussing the trade agreements with the empire and in particular Great Britain, emphasized the products of agriculture, the forest and the sea. He left or endeavoured to leave the impression both in and out of the house that those agreements entered into with empire countries would lead Canada out of the hole and that greater trade in these products would result after the agreements were ratified by parliament. Let us see what has happened in connection with our trade with empire countries. Like the Minister of Trade and Commerce I have gone over these figures myself and have taken them from the official Year Book published under the auspices of his department. Exports to empire countries in the fiscal year ending March, 1934, amounted to $278,044,000. It is true that this is an increase over the 1933 figure, which was $222,119,000. Let me say at this point that while in the budget address percentages are mentioned, I think they are misleading and do not always present a true picture of the situation. In that connection I shall try to give the actual figures. Of the exports amounting to $278,044,000 to empire countries, Great Britain took $227,619,000 while the balance of about $50,000,000 went to the other empire countries. In the fiscal year 1933-34 foreign countries took our exports amounting to $301,323,000 while in the previous fiscal year they took $251,681,000. Out of the total exports of $531,474,000, empire countries, of which there are thirty, took about one-half while foreign countries numbering seventy-six took the other half.

Our imports in the fiscal year ending March, 1934, amounted to $452,614,000 as against $401,254,000 in the fiscal year ending March, 1933. Of our imports in the fiscal year 1933-34 only $132,766,000 were from empire countries and $268,488,000 from foreign countries, $97,960,000 being the amount of our imports from Great Britain. In other words, while we exported to Great Britain goods to the value of $227,619,000 we imported from her only $97,960,000 worth. In fact, during those years, instead of endeavouring to build up her trade with Great Britain, Canada by her dumping duties and her valuation of the pound during the period when the pound in Great Britain was low, hindered, if I may say so, trade from that country. I am wondering how long it will take the Canadian people to realize that you cannot sell without buying.

As I have only a few minutes left, I must summarize the figures I wish to place upon Hansard. The truth of the matter is that our exports of all wood products dropped in 1933 to $120,886,796 of which only $11,301,796 went to Great Britain. I ask the house: Can Great Britain take the rest of our wood products which of course include all the timber, squared timber, et cetera, shipped from this country? Of our exports of paper only five per cent went to Great Britain, or about $4,000,000 worth out of over $77,000,000. We had practically no butter export market; our exports of cheese were greatly decreased. Last year there was an increase in the export of eggs, but there had been a considerable decrease in 1932.

The Prime Minister in his speech pointed out that we would have an unlimited market for frozen eggs, but none was shipped from Canada. While the other day there were comments in the press about exports of patent leather having increased, the total leather trade in Canada dropped from $10,000,000 in 1929 to just over $2,500,000 in 1933. Practically no fresh fish goes to the old country, our market being across the line. Our exports of canned salmon to Great Britain have dropped considerably and the French trade in canned salmon has been lost entirely. The decrease in exports of fishery products during the years the present government has been in power has been about $19,000,000 or a decline greater than our total exports of 1933. Out of our exports of about $17,185,351 in 1933 Great Britain took only about $3,500,000 worth, which is equal to only about twenty per cent.

As regards wheat there has been a great drop, from 239,373,255 bushels in 1932-33 to 175,534,255 in 1933-34. So far as total grains are concerned, barley, oats, rye and wheat from a value of over $476,000,000 in 1929 total grains had dropped last year to $143,695,931, of which Great Britain took only $85,326,533,

the balance of our grains going abroad. If it is any comfort to the farmers of this country, I notice in the trade report that we sold to Great Britain 872,000 pounds of rice, which if percentages are used is an increase of 800 per cent over 1930 in our trade in rice with Great Britain. That is very interesting, as we do not grow any.

But let me come to what is more important. I refer to what has taken place regarding agriculture in Great Britain and the effect it is having and will have there. The Minister of Agriculture (Mr. Weir) practically denied that Great Britain was our greatest market for dairy products; at least, when speaking in the house not very long ago, he would not admit it. These are his exact words:

Mr. Weir (Melfort): Did the hon. member say I stated this afternoon that the United Kingdom was the best market for our dairy products?

Mr. Parent: I understood the minister to say that.

Mr. Weir (Melfort): I did not say that.

It may be admitted then that Great Britain is not the best market for our dairy products. Some hon. members have stated, both in and out of this house, that the right hon. Prime Minister has changed the fiscal policy of Great Britain. He certainly has done so, and the marked changes that are being made in Great Britain may well prove a terrible tragedy to the agriculturists of this country. When the Ottawa agreements were under consideration the right hon. leader of the opposition (Mr. Mackenzie King) was the member in the house who tried to point out that the gates would close against our agricultural products, and they are closing in Great Britain. Our eggs and apples have been mentioned, and we are being told that Great Britain will not allow us to dump our apples there as we have done in other years. And, Mr. Speaker—I would like to place this on record because I think it is of vital interest—the agriculturists of Canada should be told what the change in policy in Britain will mean to Canada. Major Elliot, the British Minister of Agriculture, is out to make Great Britain self-sustaining so far as agricultural products are concerned, if that be possible; he has stated that Great Britain will reduce her imports of agricultural products by a billion dollars, and what will that mean to this country? Will we be put on quotas with regard to eggs, apples, wheat and everything we grow? The effect of such a reduction in imports will be terrible so far as the agriculturist is concerned.

[Mr. Reid.]

If I had time I should like to develop this further, because I think the country should be made cognizant of the actual conditions which face us in regard to agriculture. Lord De la Warre, when asked with regard to the marketing schemes in Great Britain, intimated to the House of Lords that Great Britain was endeavouring to make herself self-sustaining with regard to all agricultural products, and, what is important, he said that agricultural policy started at the Ottawa conference. Perhaps the Prime Minister thought he put it over the old country people when he practically forced them to sign on the dotted line two days before they left Canada, but the old country has now instituted a policy that is going to be very detrimental to the agricultural interests of this country. Our markets there will be greatly curtailed.

A great deal has been said with regard to bacon and hogs in this country; the Prime Minister stated that we could ship up to 2,500,000 hundredweights per year. We might do that, if we had that amount, but just until the agreements come up for review, for Great Britain has recently created establishments in the old country to take care of 4,000,000 hundredweights of hams and bacon annually, and the British dealers have guaranteed 2,000,000 hogs this year, or the equivalent of 2,000,000 hundredweights. The total imports of hams and bacon into Great Britain last year amounted to about 10,000,000 hundredweights, and now Great Britain is prepared to produce and take care of almost half her requirements. Great Britain has gone further likewise with regard to wheat; this year the acreage has been greatly increased and a surplus of 30,000,000 bushels is expected. They want also to put a quota on butter and cream products entering that country, as well as on almost every other agricultural product. So we find that the British agriculturist is now coming into his own, and before long Great Britain will not be the great market outlined by the Prime Minister in 1932. I should not be at all surprised if the election came on before the agreements expire in 1935, because in my opinion the longer they go on the worse the condition will become.

I would not have taken up the time of the house with these statements, Mr. Speaker, had it not been for the boastful statements that were made and the finger of scorn that was pointed at some of us on this side when we ventured to disagree with the government. Something has been started in Great Britain, however, and I suppose we can give the Prime Minister full credit for it. It is no wonder that

we hear rumours that the right hon. gentleman is to be mentioned in the King's birthday honours. I hope he does not leave this country before the next election; it would be too bad if he did not wait to hear what the Canadian people will say when they have a chance to speak. Personally I hope the election will come this year, but if the Prime Minister is so honoured by Great Britain he can leave Canada and say to the British agriculturists, "I did it; I changed your fiscal policy," but what about the poor agriculturists in this land? The Prime Minister will not use the boastful language with which he concluded that previous speech, when he said, "Wider still and wider shall thy bounds be set." Perhaps he intends going to Great Britain to set the bounds for British trade.

I believe the situation is very serious, so much so that only last week both Australia and New Zealand intimated to Great Britain that if she would remove the quota restrictions from their agricultural products they would allow British goods free entry. I wonder whether the Prime Minister would follow the lead of those two countries and make a similar offer. With regard to our wheat I think Canada should have a greater quota than was given either Australia or New Zealand, because those countries have a market in Great Britain for both mutton and wool to the extent of some $300,000,000. I believe the Prime Minister has failed because, instead of keeping agriculture to the fore as our primary industry, he has endeavoured to make industry first. We are a great agricultural nation, and our whole policy should be built with that idea in mind. We cannot be a leading industrial nation and at the same time a leading agricultural nation.

Mr. D'ARCY B. PLUNKETT (Victoria): Mr. Speaker, it was rather amusing to listen to the last speaker (Mr. Reid). The hon. gentleman is not very consistent as between his speeches and his votes. He condemns the Prime Minister (Mr. Bennett) because he has ruined the agriculturists of this country, yet we find the hon. gentleman voting for the marketing bill, which is designed to assist agriculture in Canada. I wonder if he will dare deny that bill on third reading; certainly he did not have the courage to vote against it on second reading.

With reference to the budget brought down by the Minister of Finance (Mr. Rhodes), I think the discussion has been so full that I need make very little comment at this time. I have but one statement to make in that regard. The Minister of Finance has met existing conditions in this country with courage; he has given a complete statement of our financial position and he has exhibited the same resourceful strength that he showed last year when he delivered the previous budget.

There are many policies that are being enunciated by this government; perhaps there never has been a government in the history of Canada which has brought in so many policies designed to benefit the people. In all the criticism that has been offered we do not find much said as to the courage of the government; we do not find any reasonable suggestions to replace any of the measures they have offered, but we do find the usual criticism offered by the Liberal party. I sometimes wonder if they have joined the Cooperative Commonwealth Federation. They usually criticize; they are like those who appear before the banking and commerce committee and present theories, talks and readings from professors and economists. The Liberal party is following along that line. Should they join, this House of Commons will be delighted to hear those theories of economy, not one of which has been tried out, and not one of which they are sure about.

May I congratulate the government in its intention to bring down some provision for public buildings throughout Canada. I believe they should attend to government buildings first, and then direct their attention to any road work which might help Canada as a nation to take care of tourist traffic. It was estimated that in 1933 the tourist traffic brought Canada $117,000,000. We must endeavour to continue to secure that trade, and with the improved conditions throughout the world there is no reason why this country, with its great physical resources and scenic attractions, should not be able to command a great part of tourist travel.

The government is to be congratulated upon the tremendous saving in controllable expenditures made in the last three years, amounting, we are informed, to $83,000,000. This figure would seem to give positive evidence of the government's intention to relieve the taxpayers of Canada of their heavy burdens. The hon. member for New Westminster (Mr. Reid) who has just taken his seat, made the surprising statement that there had been no reduction in unemployment in Canada. In this connection I should like to read into the record a statement which appears in the Vic-

toria Daily Times, that Liberal pillar of goodness. It is as follows:

Relief Lists 14,000 Lower

Reduction of more than ten per cent in province since February, 1933.

Reduction of 14,000 in the number of people receiving relief in British Columbia in February as compared with the same month last year is shown in figures released to-day by the provincial relief department.

I might suggest that does not include the present premier of British Columbia and his relief activities. The hon. member made another statement to the effect that in Great Britain the gates had been closed against the agricultural products of this country. I quote again from the Victoria Daily Times:

Lumber Trade With Empire Headed for High Record Figure

Shipments to United Kingdom in first quarter exceed any full year's business prior to 1933; total water-borne trade of province more than doubles.

British Columbia's empire lumber trade is definitely headed for a record year, according to statistics on exports for the first quarter just released by P. Z. Caverhill, chief forester of the British Columbia government forestry branch.

Significant figures of the trade are: In the first three months the province did more lumber business with the United Kingdom than in the full twelve months of any previous year except 1933, and has already reached nearly half the 1933 total.

Shipments to Great Britain jumped by close to 100,000,000 feet, or nearly 400 per cent over the same period last year. Exports to Australia advanced almost 30 per cent over 1933.

At the same time the province more than doubled its foreign export business and multiplied shipments to eastern Canada fourfold in the same period as compared with last year.

I believe these two statements should refute the remarks of the hon. member for New Westminster. When Canada is leading other nations in recovery it is not fair that hon. members in this House of Commons should endeavour to belittle the efforts of our government.

May I speak further upon the building construction program? Before I became a member of this house I was interested in construction, and I believe I understand some of the difficulties and troubles with which those interested in building construction activities have had to contend during the last four years. Building construction was the first to feel the business depression, and has been the last to respond to conditions which are more favourable or which more nearly approach those of normal times. Building permits issued by sixty-one cities in December, 1933, represented construction work valued at $1,957,855, as compared with $1,609,874 in November, 1933, and $1,569,255 in December, 1932. There was, therefore, an increase of $365,981, or 22·7 per cent in December as compared with the preceding month, and of $406,600, or 25·9 per cent, as compared with the same month of 1932. The December, 1933 figure was the lowest for the month in any year since 1920, except 1932.

When we consider the amount of money that has been paid all over the country by the dominion government in rentals for office and other space in buildings which they do not own, I can see no reason why a campaign looking to the erection of government buildings in cities and towns where they are required should be opposed. The time has passed when the government should be held up by people who ask high rentals and exorbitant prices. I do not wish to go into details in this connection, but hon. members well know that many of the rentals charged the dominion government are not fair. In the larger cities we find that the dominion government offices are scattered; the city of Ottawa is a good example. Hon. members wishing to do business with a government department sometimes have to visit six or eight buildings. These offices should be under one roof. In many instances the government is paying excessive rates. The buildings should be centralized, not scattered all across the city. The experience hon. members had in the past winter was surely enough to antagonize hon. members against the present system.

We continually hear about, and our sympathetic attention is drawn to the farmers, railway employees, automobile industry workers and others, but we seldom hear anything said on behalf of the great mass of artisans and mechanics who by their work in creating new buildings and homes have done so much to build up our cities, and who have for the most part invested in homes for themselves, thereby ensuring their continued residence and citizenship in their respective cities.

Very little depreciation has to be written off public buildings built under the modern system, therefore they are a much more valuable contribution to the public welfare than is money spent upon good roads and beautification schemes which involve a big outlay of money and entail a large expense for upkeep. Building construction takes in a more varied line of endeavour and more separate branches of industry than any other commercial or industrial activity. Its ramifications run into and involve the steel industry, lumber and woodworking plants, cement and brick in-

dustries, metal work, interior furnishings and the work of all craftsmen necessary to complete first class modern buildings.

Many of the mechanics and artisans employed in the erection and completion of such buildings have, through taxation and unemployment, lost their homes. Yet I believe that particularly in the cities organized labour, during the last three years of depression, has contributed more than any other section of our people to sound citizenship. They have done this through sacrifice and by their endeavour to distribute equally among their association members all labour which was offered. And so, by the creation of a community spirit, they have been a help and benefit one to another. In the city of Victoria, British Columbia, the typographical union has divided hours of employment so that by each man taking one or two days off from his labour a division is made whereby all may have a fair and just opportunity to work. The money spent in construction work reaches every class of our citizenship and is distributed throughout the whole community for the benefit of all. It affects all lines of skilled as well as unskilled labour. The great majority of mechanics spend their money freely, with a resulting favourable effect upon the city and municipal life of our country.

In presenting these facts I would ask the government earnestly to consider adopting this plan in many cities and towns throughout Canada. I am sure the money would be well spent and would bring splendid results.

It has been intimated that in the near future there may be changes made in the British North America Act. I am convinced, Mr. Speaker, that in this suggestion we are starting at the right place. I think that in this dominion we have too much government, and conditions are such that some restrictions should be put upon our provinces. I see no reason why the three western provinces, Alberta, Manitoba and Saskatchewan, should not have a change made in their system of government. Their interests are one and the same, and unless some effort is made to eliminate the cost of government in these western provinces we shall continually have them coming to Ottawa and knocking at the doors of parliament for more money. I do not see, Mr. Speaker, how the western provinces can be relieved from their present financial condition unless some such assertive action as I indicate be taken.

It might be suggested that British Columbia join with the three prairie provinces, but from its geographical position its interests are not identical with those of the three prairie provinces. But why not start at the foothills? Let British Columbia manage its own affairs, and let the three prairie provinces join together and eliminate some of this cost of government which is so ruinous. The interests of British Columbia are considerably different from theirs. British Columbia has its big lumbering industry and its great fishing interests, whch are not of the same interests as those of the prairie provinces.

I would not for a moment venture to suggest anything along that line in regard to the maritime provinces. Their representatives in this house are so assertive that it would be very difficult to suggest that Nova Scotia, New Brunswick and Prince Edward Island should join together, but geographically, looking at the map, it would not seem out of place, and I rather fancy it could be done if its representatives would only consider it.

In regard to the financial condition of British Columbia, before the recent election there we heard nothing but "work and wages." Well, the legislature was called together, and the premier congratulated its members upon being the finest looking body, both mentally and physically, that he had ever seen. They got through the session and as soon as the session was over it was no longer work and wages; it was "On to Ottawa." But while these legislators were performing their duties as legislators for the province the cost of education in British Columbia was increased by $50,000 being voted to the university of British Columbia. Provision was also made for higher salaries for school teachers—high school teachers I think. They even created one additional member for the legislature; this legislature was composed of such a fine body of men that they had to have one more to complete the circle. Is it fair for any provincial government to come to this parliament or to the Prime Minister and ask for a loan of $8,000,000 when they have not put their own house in order, when they have not shown the least sign of curtailment of extravagance, and then expect this government to keep the civil servants on a lower rate of pay while lending money to British Columbia to spend? These are questions which I would ask this government to consider. Let there be no misunderstanding; I want this government to help British Columbia if it is at all possible. This government will have to help British Columbia, but I think they should ask British Columbia to say what they are going to do with the money, and to what extent they are going to curtail the

extra expenditures which they are imposing on the taxpayers of that province. Have they any right to shift the burden of taxation from the provincial to the dominion taxpayers?—for that is what it amounts to. The money has to be got, and it is simply a question of shifting the burden of taxation from one set of shoulders to another. But so long as the province shows no evidence of retrenchment I think it is better that the money should not be loaned.

Out in British Columbia they have created an economic council, a brain trust; they have an industrial relations board, and special private advisers. Does that help at all in creating throughout that province the feeling that it is going to pull out of its difficulties? Why should this legislative assembly of men and women, which was so good looking a body, have to create an economic council and an industrial relations board to help them out in their legislative work?

I wish I could persuade some of the members from the maritime provinces to come out to British Columbia and live. I am sure that if we had their spirit we would get many of the things that we are asking for. One thing I am sure will not be denied by any person who has listened to the representatives of the maritime provinces in this house making known the wants of their constituencies, and that is that if they should ever travel extensively and visit Jerusalem, they will surely qualify for a position at the wailing wall. May I suggest that their representations have not been without result? In looking at the estimates for 1935 I find that the following items are to be applied specifically to the maritime provinces.

Besides the benefits to be derived from the Washington treaty there are the advantages gained through the Duncan report—all, I suppose, part of maritime rights, which I sometimes consider more or less as special rights or favours. On April 11 last the hon. member for Antigonish-Guysborough (Mr. Duff) at page 2058 of Hansard made a very direct appeal for the sum of $15,000 to be expended for the relief of the fishermen of the town of Canso. I must compliment him for his ample representations on behalf of the fishermen of the town of Canso, even if I cannot commend his modesty.

Then there is vote No. 169, to provide, subject to the approval of the governor in council, for a grant to maritime fishermen of $4,050. There is also an amount of $160,000 authorized by statute, payable as fishing bounty. Then there is vote No. 154, for fisheries, to assist in the conservation and development of the deep sea fisheries and the demand for fish, $85,000. Of this amount some $46,000 is to be spent in the maritime provinces, and even the town of Canso receives a percentage of the votes I have mentioned.

That brings me to another question which I think has never been fairly dealt with, and which is of great importance to the city I represent. I refer to the Pelagic Sealing treaty. Daily during the session and at the end of every session when I go home to Victoria I have from one to a dozen requests made to me by private individuals, committees and deputations, to bring before this government the Pelagic Sealing treaty with a view to having some better arrangements made. This is perhaps one of the most unfortunate things that former Canadian governments have done. They took away from the working man his means of making a living; they did the same thing with those involved in the business but no satisfactory reimbursement has been made. It is said that these men have been reimbursed, but I intend to show just how they have been reimbursed and leave it to hon. members from the maritimes to say whether they think what was done is satisfactory.

When the pelagic sealing on the Pacific was stopped by treaty, the number of claims for payment were 1,605 involving an aggregate amount of slightly over $9,200,000. The number of claims allowed was 142, the number disallowed being 1,463. I do not intend to criticize the legal judgments of the commissioner, who was a very capable gentleman, but I should like to present the human side of this matter. Unless it is cleared up by the appointment of another commission, there will always be regret and disappointment and a feeling of failure on the part of all the sealers who were in the business. In 1912 the approximate number of seals in the herd was 215,940. In 1932 the approximate number was 1,219,961. The total cost of the judicial inquiry by Mr. Justice Audette was $35,546.93 and the total sum paid to claimants was $60,663.75. Under the terms of this treaty Canada has received from the United States, $1,074,030.58; from Japan, $11,805.17 and from Russia, $5,308.97. Although this huge total has been placed in the consolidated revenue fund, only the miserable total of $60,663 has been paid out to the sealers.

When the learned commissioner delivered his findings and awards, compensation was allowed only to those who were actively engaged in the sealing industry during the year 1911. All those who were not so engaged

during that year were totally excluded from any compensation. Is it fair or just to exclude all those who were not sealing during 1911? They might have been active during all the previous years and might have been prevented from operating during 1911 by sickness or other causes. I should like to quote a statement made by Lord Herschell as reported in Hansard debates of the House of Lords on June 24, 1912. He made this statement:

> Compensation is to be paid to the Canadian sealers who lose their occupation owing to the provisions of the treaty.

Can it be said that that has been carried out when to-day distress exists and many families have been broken up? This is something like the famous case in Dickens of Jarndyce versus Jarndyce; they are still hoping something will be done. Successive governments have come and gone; the Liberal government was in for nine years while the present government was in power before, yet nothing has been done. The people of Victoria will never be satisfied until some further restitution is made. The whole civic life of Victoria was affected by this industry. Boats were provisioned and supplies purchased there, and people who were not directly engaged in the industry have suffered. Compensation has been paid to some boat owners but in many cases nothing has been done for those who carried on this dangerous vocation of going down to the sea in order to earn a livelihood by sealing. I should like to quote the judgment of Baron Alderson in Moon versus Burden, (1848) volume 2, Exchequer Report, 22, page 40. He stated:

> It is contrary to the first principles of justice to punish those who have offended against no law, and surely to take away existing rights without compensation is in the nature of punishment.

Surely that is the law of this country. I submit that these sealers have not been properly compensated. Their rights have been taken away; they have not erred or offended any law, yet they have been punished by not receiving just and adequate compensation.

This treaty remains in force until twelve months after written notice has been given by one or more of the parties to all the others of the desire to terminate it. It is also provided that following such notice, on the request of any one of the high contracting parties a conference shall be held to consider and, if possible, to agree upon a further extension of the convention with such additions or modifications, if any, as may be found desirable. We have on the Pacific coast a herd of over one million seals which is preying upon the halibut and salmon fisheries. The government has endeavoured to make treaties with the United States for the conservation of our fisheries, but could there be any greater menace to the fishing interests of the Pacific coast than the allowing of this herd to exist? Is this to be done and the fishermen receive no further remuneration? This herd has been allowed to increase and yet the government is attempting to make a treaty to help the halibut and salmon fisheries. What should be done is to curtail the number of these seals and pay proper compensation to these fishermen on the Pacific coast. Business firms throughout Canada are advertising the sale of seal skins. They are stamped with a maple leaf, but I wonder if the purchasers know the price paid by some families in my city? I wonder if they know of the efforts made to place before the different governments the need of some redress? I think their claim is a just one. All they ask is that another commission be appointed. I suggest that this commission should consist of a member of the exchequer court, an admiralty judge from British Columbia and a layman who understands fishing and sea life. If another hearing is held and only one person is found to be deserving, the government will have done its duty and the people will be satisfied. There are those who feel they have been discriminated against and not treated fairly. To show just how Victoria has been affected, I should like to read a letter addressed to me by the clerk of the municipal council of Victoria. This is dated April 22, 1933, and reads:

> Re ex-sealers now inmates of Aged Men's Home, Victoria
>
> Dear Sir:
>
> I beg to inform you that the Victoria city council, at its meeting held yesterday afternoon, passed the following resolution, namely:
>
> "Whereas three Victoria men, namely, James McGill, William Dawson and George Louis Chapman, formerly engaged as pelagic sealers on the Pacific coast are now being maintained by and at the expense of the city of Victoria in its home for the aged and infirm;
>
> "And whereas by international agreement the dominion government is in possession of accumulated annual payments over a long period of years in trust for the distinct purpose of compensating Canadian sealers for the loss of their industry and their property;
>
> "Therefore be it resolved by the Victoria city council that the dominion government be asked to take immediate steps to provide for compensation to the sealers and their families out of the said fund accumulated for that purpose; and that copies of this resolution be

forwarded to the Right Hon. the Prime Minister of Canada and Mr. D. B. Plunkett, M.P., for Victoria."

This was the resolution passed asking that justice be done in this matter.

Let me quote from Hansard, 1912-13, at page 12046, a statement made by Mr. Hazen:

My hon. friend knows that in 1910 a treaty was entered into between Great Britain, Japan, the United States and Russia, under which all pelagic sealing on the part of these countries was abolished, and under which it was agreed that Canada should be paid fifteen per cent of the catch of the United States at the Pribiloff islands, fifteen per cent of the catch at the Japanese islands, and ten per cent of the catch at the Russian islands, and that an advance payment of $200,000 should be made to Canada on account.

Just think of that, Mr. Speaker. Here was a government that did not create this business, a business that would not have been created had it not been for the hardihood and the spirit of adventure of these men who went to sea; yet that government demands $200,000 and gets it—the United States pays it.

That $200,000 has been paid, and claims have been made on the part of those who, in consequence of this treaty, and of the regulations in the Treaty of Paris have had to cease making a living by pelagic sealing. It has been determined to appoint a commission to inquire into the validity of those claims,—

Obviously they took a wrong point of view. They were not sure that the sealers had a valid claim. They did not say that they would look the whole thing over and see what could be done, but they decided to inquire whether the claim was valid or not.

—and an order in council has been passed appointing Judge Audette, assistant judge of the exchequer court, as commissioner. Judge Audette will give notice to all interested, and will hold his first court in Victoria on the 15th of July. It may also be necessary—

And this is where the maritime members come in. I did not know that they engaged in sealing down there.

—to hold a court in Nova Scotia, as several claims have been put in by people at Halifax who contend that they were engaged in the sealing business and that they are entitled to compensation. This vote is to cover the expenses of that commission.

The vote was:

To provide for costs of proceedings before the International Joint Commission, $10,000.

According to a later Hansard it appears that they had to get more money. The government of that day seemed to think that this was a little affair, something of no account; but under the terms of the treaty there has been paid into the dominion treasury the sum of $1,091,144.72. In Hansard of 1914, at page 2372, Mr. Hazen is reported as follows:

[Mr. Plunkett.]

My hon. friend is aware that under the treaty entered into with the United States, with Russia and Japan, pelagic sealing is done away with. Canada is paid fifteen per cent of the sealskins thrown up on the shore by the United States, fifteen per cent by Russia, and ten per cent by Japan. The United States has paid us $200,000 as an advance payment. Pelagic sealing is now abolished.

That has been received. Claims were made by those who were engaged in the sealing business and in order to arrive at the amount which would be paid to those whose living and occupation have been interfered with, Judge Audette of the exchequer court was appointed a commissioner to investigate. Some 1,500 claims have been submitted. We had a sum placed in the estimates for the year ended March 31, of $10,000. Judge Audette has been proceeding with the work and it was found that the $10,000 was insufficient. Only a comparatively small amount will have to be voted in the supplementary estimates for the year commencing April 1, in order to finish the work which is now well under way and which will be finished during the summer. It is to make provision for this work that this amount is required.

It is unfortunate that east is east and west is west, but the fact is that we are so divided and there is such a vast distance across the country. If hon. members from eastern Canada could visit the west they would have a different conception of that country and would appreciate the glorious part in which the people there have played in building up that section. I appreciate the advice and the wisdom we get from the east and I earnestly hope that I shall be able to prevail on this government to do something to relieve the situation of the sealers, who feel that they have not had just compensation.

Mr. OSCAR-L. BOULANGER (Bellechasse) (Translation): Mr. Speaker, like hon. members who have preceded me in this debate, I also deem it my duty to extend to the hon. Minister of Finance, on behalf of my constituents and myself, our sincerest and deepest sympathy in his bereavement.

At the same time, as the Canadian press informed us this morning of the decease of Mrs. Rhodes, it published the sad news of the death of a former member of parliament, Colonel O. E. Talbot. For about fifteen years he represented, in this house, the county which I have the honour to represent now. Some who are, at present, members of this house, were acquainted with him and will recall his qualities both of heart and soul which had won him the esteem and respect of his colleagues. May I, sir, as representative of the county of Bellechasse extend to Mrs. Talbot and family the expression of my deepest sympathy.

I do not intend, sir, to review the entire budget statement of the hon. Minister of Finance. I will restrict myself to the analysis of one or two statements from the viewpoint which interests the group which I have the privilege of representing in the house. In his budget speech, after having referred to the violent and universal drop in the prices of farm products and the spread between the prices of raw materials and manufactured goods, at page 2269 of Hansard, the hon. Minister of Finance adds:

For this reason the government has consistently pursued a policy designed to stimulate a rise in prices by every sound means.

I wish to examine, sir, in the few minutes at my disposal, the question as to whether the general raising of prices is really the remedy which must be sought under the present circumstances.

I have very great doubts as to the efficiency of the remedy proposed and I do not think that a general enhancing of prices will cure the ills from which agriculture is dying, at present. What has caused the ruin of agriculture is not so much the drop in prices of farm products as the exaggerated spread between the prices at which farmers have to sell and purchase. That is an undeniable truth. Likewise a general rise in prices will in no way affect the situation. In raising the whole structure of prices all the various price levels are proportionally raised, the upper levels as well as the lower, and the same interval is maintained. In other words, the tune is not changed by raising the tone.

It is more a question of restoring the purchasing power of the farmer than promoting artificially a general raise in prices. In fact, agriculture would be prosperous if farm products could be bartered for an equivalent quantity of manufactured goods.

The reasons for the drop in the income, and purchasing power of the farmer are numerous. During the war when European nations were under arms and unable to produce food and other articles of prime necessity, the farmers of America as well as industries considerably increased their production. Once the war was over, European nations resumed their farming activities and reopened their factories, with the result that they ceased relying on America. Production should have then been reduced so as to adjust itself to the demand. The remedy was applied with fairly good results in connection with industries; however it is not such an easy matter to adjust farm products to market demand. That is why the prices of farm products dropped so considerably as to be out of proportion with the prices of manufactured goods which the farmer is obliged to purchase.

The farmers endeavoured to reduce their expenditure in operating costs, hand labour, buildings, implements, material etc., however, they were unable to reduce their fixed charges, such as liabilities, interest and taxes, which have not decreased but rather increased in the post war period. As their returns decreased and their purchasing power dropped, they ceased being the clients of industries and dealers, and that brought about industrial unemployment in cities. Industry and commerce will not be prosperous so long as the purchasing power of farmers is not restored. This may be done by reducing the spread between the prices of farm products and those of industry.

A few figures taken from official publications of the Dominion Bureau of Statistics will prove that the drop in prices of farm products, during the crisis, was out of proportion with the drop of those of manufactured goods and that the unreasonable spread which resulted is the cause of the depression in agriculture. Incidentally, these figures will perhaps explain how it happens that, while the farmers receive from the sale of the their milk, tobacco, and their animals less than the cost of production, the magnates of the dairy industry, cigarette manufacturers and packers accumulate enormous profits and vote themselves salaries that railway presidents enjoyed before the crisis, as certain investigations have shown.

The figures which I desire to submit establish a comparison between the years 1926 and 1933, the ratio figure 100 refers to 1926. One may see that, from 1926 to 1933, the price of farm products has dropped from 100 to 51, while the price of building materials has dropped from 100 to 78·3; the price of manufactured goods from 100 to 70·3 and the wholesale price, generally, from 100 to 67·2.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. BOULANGER (Translation): When the house rose, sir, I was quoting figures of the Dominion Bureau of Statistics showing that from 1926 to 1933, the prices of farm products dropped, 49 per cent while in the same period, the price of manufactured goods only dropped 30 per cent, and building material 21·7 per cent.

If we now compare the prices of last year with those of 1926, but especially with the

prices of 1913, the year preceding the war, one will note,—and this will astonish many—that the prices of farm products are lower than they were in 1913, and, moreover, that the prices of all other products are higher in 1933 —the year which is considered as the worst of the crisis—than they were before the declaration of war. For instance, according to the Dominion Bureau of Statistics, the index price of all products being 100 in 1913, was in 1933, quoted at 105. The household equipment and supplies, which were at 100, in 1913, rose to 124·6 in 1933. The building material which was at 100, in 1913, rose to 119·5, in 1933. Textiles which were at 100, in 1913, increased to 119·9, in 1933. Food, beverage and tobacco rated at 100 in 1913, increased to 103·5, in 1933. Farm products passed from the index figure of 100, in 1913, to 80, in 1933, after having been as low as 75·1, in 1932 and at 86·1, in 1931. Apart from farm products, there is but one exception—it may amaze many in the house—it is gasoline which, according to these statistics sold cheaper in 1933 than in 1913. The index price for gasoline being then 100 dropped to 71·6 in 1933.

I shall now continue the comparison which I established before six o'clock, between the prices of 1926 and those of 1933. The price of steers on the hoof, from 1926 to 1933, on the Winnipeg market, fell from 100 to 60·8 while the price of beefsteak cuts from the same steer only fell to 76·4. The same situation exists for sheep: from 1926 to 1933, the price paid to farmers, on the Toronto market, dropped 60 per cent; however the retail price paid by the consumer, only dropped 39·4 per cent. The price paid for milk to the farmer, in Toronto, passes from the index number 100 to 65·5, while the price paid by the consumer did not go below 78·8 from 1926 to 1933. The price paid, in Toronto, to farmers for hogs dropped from 100 to 42·5, in 1926 to 1933, but the price of fresh pork only dropped to 50·6. The price of wool in Montreal, dropped from 100, in 1926, to 46·4, in 1933, however, the price of cloth and textiles only dropped to 63·3, within the same period. Wheat, at Port Arthur, from 1926 to 1933, dropped to 40·8, but the price of bread, in Toronto, only dropped to 91·8 during the same period.

These are sufficient examples to show that as long as such a spread exists between the prices of natural products and those of manufactured goods, and between the prices paid to producers and those paid by the consumer, the economic situation of our nation will not materially improve. It is this unbalanced state which must be adjusted and I repeat that this will not be accomplished by a general raising of prices which will maintain the same disparity and spread between prices; this result will only be obtained by the decrease of this spread between the prices of natural products and those of manufactured goods, between the prices paid to producers and those paid by the consumers.

I have been informed by my constituents that the average earnings of the eastern farmer of Canada is not over $400 per year. In most cases it is far from reaching this amount. Therefore, no one can afford to be ill among farmers, because he has not the means to pay for the doctor's services. Still less can he quarrel because he would be unable to pay a lawyer's fees. He cannot afford to give his children a higher education than the one received in the primary rural school. He can neither improve his buildings, nor replace his farm implements which fall to pieces, nor can he improve his land or live stock. As you may judge the farmer cannot make any outlay, thus trade and industry suffer from it.

What is the remedy? I hear hon. members opposite state: the Natural Products Marketing Board.

I admit that I have not much faith in this intricate and impracticable measure. I have neither faith in an army of budgetivorous officials saddled on our finances in order to tell farmers what to do, force them to take out government licences, make out reports on the work performed on the farm and dispose of their products. I think the farmers are able to look after their own business better than the government can and with much less waste, disturbance and injustice. If this measure is such an excellent one, if the salvation of agriculture depends on this bill introduced with the flurry of drums and trumpets why did not the government introduce it three years ago?

Mr. BOUCHARD (Translation): Hear, hear!

Mr. BOULANGER (Translation): Why does the government introduce it only after being in office three years, and just on the eve of an appeal to the people?

When speaking, just now, on the raising of prices on articles which the farmers must purchase, I forgot to quote the prices showing the increase on farm machines. I have just found on my desk a schedule establishing a comparison between the prices of certain farming machines in 1913 and in 1933. I think it would be useful to place these price comparison on Hansard.

An ordinary plough sold $14.75, in January, 1913, and $20.35 in January, 1933; a machine known among our people as a "cultivator" a kind of harrow but more complicated than the ordinary disc harrow, sold in January, 1913, $81.50, and in January, 1933, $140; an ordinary rake sold $31, in 1913, and in 1933, $49.25; a 6 ft. harrow sold at $148, in 1913, and $217.75 in February, 1933; a mowing-machine 4½ ft. by 6 ft. $53, in January, 1913, and $86.50 in February, 1933; an ordinary harrow, $16, in 1913 and $25.38 in February, 1933; the disc-harrow sold at $26, in 1913 and $49.75 in February, 1933; wagons $76.25, in 1913, and $144.25 in 1933. The prices which I have just quoted are the current prices in Ontario, however, these prices apply to all provinces and show that while the price of farm products dropped 20 per cent in 1913 to 1933, that of farm machinery during the same period, increased twofold.

I shall now refer to the marketing or state monopoly, if you prefer this term, of farm products. We are informed that the measure is similar to the one enacted a few years ago in Great Britain, and also somewhat similar to the new scheme of President Roosevelt, in the United States. The examples of leading nations are not always good to follow, in Canada. Conditions in Great Britain and the United States are not similar to ours. Great Britain imports natural products and exports manufactured goods in large quantities. We do the opposite; for instance 80 per cent of our wheat is exported. The United States with an enormous population of 125,000,000 souls, and whose production, climate and requirements are most diversified, can practically support themselves. Conditions are different in Canada with a population of 10 to 11 million people, spread along a narrow strip of land from the Atlantic to the Pacific coast. Therefore instead of concentrating agriculture under a board, instead of the state monopolizing our markets of farm products and organizing the dumping of our natural products, we should endeavour to increase our markets abroad, lower the tariff barriers, improve foreign trade relations and conclude reciprocal agreements and trade treaties with countries which wish to trade with us.

A Quebec newspaper "l'Evenement" quoted on the subject Mr. Cordell Hull, secretary of commerce in the United States:

As minister of commerce in the United States, Mr. Hull sees but one way to restore the general activities of the American nation: reconquer foreign markets, partly lost through an exaggerated policy of high protection. All authors who deal with this subject agree that as soon as tariff protection has fulfilled its object—the establishment and growth of national industries—wisdom requires that tariff duties be reduced, so as to prevent the fleecing of consumers and retaliation by foreign countries.

This feeling has become so wide spread in the United States that, recently, Mr. Ogden Mills, secretary of the treasury, in the ultra-protectionist administration of Mr. Hoover, stated practically the same thing:

We shall have to abandon our present policy of isolation and of intense nationalism, and, to a certain degree, amend our recent tariff policy. This opinion coming from an orthodox republican, may seem strange. However, I have never understood that, intelligently applied, a policy of sound protection, based on the spread existing between the cost of production here and abroad, should necessitate the erection of impassable tariff barriers, the annihilation of our trade with the rest of the world and the sacrifice of the efficient farmer to industrial inefficiency.

These are the views of this gentleman whom I might designate as a converted republican who thinks that the United States have had enough of this exaggerated high protection policy.

Instead of assuming the part of farmer, dealer, industrialist and undertaking to regulate the markets and openings for our natural products, the government should endeavour to find markets abroad for the exportable surplus of our products and thus decrease the cost of articles farmers have to purchase. That is the greatest service which the government could render to the farming class.

It is not a matter of increasing all prices, as a whole, but one of reducing the spread between prices. It is also a question of establishing a more equitable proportion between the prices of necessaries bought by farmers and the prices at which they sell their products. To attain that purpose the government must use good common sense as regards their tariff policy, it is unnecessary to monopolize production and the marketing of our natural products.

In the national field of activities, the government could equally help agriculture without having recourse to red tape and annoying paternalism with which we have been entertained in the house for the last two weeks. Why does not the government endeavour to establish better relations between the farmers and those who handle their products, dealers and distributors of national products, in order that, according to the expression in use, a greater proportion of the consumer's dollar

finds its way into the pocket of the producer? After all, those who produce and distribute the natural products are bound by common interests and it is to their advantage to agree among themselves; and such an agreement would be possible if it were promoted and helped by the higher authorities, the State. The government, instead of substituting itself for them, could endeavour to promote a better co-operation among them and bring back to their social sense of justice and the realization of the higher interests of the nation those who might be inclined to fleece the people.

In other words, sir, before substituting itself to the farmer, the industrialist and the dealer, the government should enable these various groups of society to devise for themselves remedies for the ills from which they suffer. I found this idea in a work by Sir Alfred Salter, often quoted in the house as an economist of high standing. Sir Alfred Salter precisely states that governments should allow the initiative to the various groups stated above and substitute itself in the least possible measure to individuals in the various fields of activity. The following is what Sir Alfred Salter states. I regret that I have not the French translation, I therefore will quote the English text:

> If we are to have a planned and directed system which is compatible with both political and economic freedom, the planning and control cannot be left to government alone. . . . It is inside the system itself that we must find those who will, in the main, plan and control—and they must do so through their own institutions. Those who occupy directing positions in every sphere must regard themselves as having not a single but a double responsibility. First, they must conduct their own business efficiently. Second they must construct, in cooperation with others engaged in similar activities, a framework of general policy and regulation which will prevent the action of the individual in business from reacting destructively upon others or upon the general public interest.

The government should play the part of moderator, arbitrator and regulator instead of seeking to monopolize the commerce of natural products. The government could give us with that end in view a commercial code for instance, which does not yet exist in Canada as it exists in a great number of countries. If a commercial code is necessary to other nations, it should be useful and advantageous to Canada. With a commercial code regulating the trade relations between the various groups of society, we could have courts of commerce, as in other countries, to enforce this code and settle the difficulties which might arise between people who are engaged in commerce and industry.

[Mr. Boulanger.]

Why would the government not foster first the development of private enterprise and collective action among farmers, instead of telling them what to sow, obliging them to forward annual reports, restricting them in their production and undertaking to remunerate certain people for destroying part of their products?

Purchasing and marketing co-operative societies would no doubt help farmers to obtain cheaper what they require and receive better prices for the marketing of their products. Loan co-operative societies by uniting the borrowing power of classes or groups of producers, would promote the establishing of an intermediate credit which is lacking and yet necessary so as to help the farmers to bring their crops to maturity and to raise and fatten their live stock.

I have been informed that a too narrow and shabby interpretation of section 88 of the Bank Act prevented the banks granting to farmers this intermediate credit, namely, the credit which is intermediate between the ordinary commercial one and the long term credit. Heretofore banks have always refused farmers this intermediate credit.

I stated just now that it is not always wise to follow the example of the United States; however, I think that the government would be well advised to study the intermediate credit system inaugurated by the Roosevelt administration.

The system is based on the co-operation of debtors and also on the institution of land banks. The system is an excellent one and is worth looking into. The government might establish an institution, perhaps, not exactly the same but on similar lines, which would permit farmers, by pooling their borrowing power and resorting to cooperation, to obtain this intermediate credit which has hitherto been lacking to Canada.

As to long term credit, the government could also be of some service to the farmer by reducing the rate of interest on loans granted by the Canadian farm loan commission. At present the rate of interest charged to farmers is 6½ per cent. It is true that the Quebec provincial government contributes one per cent of this rate of interest, so that in Quebec the farmer only actually pays, thanks to the cooperation of the provincial government, 5½ per cent interest. It is, however, a fact that the dominion government or rather the Canadian farm loan commission receives 6½ per cent interest on loans granted to farmers. The Minister of Finance takes pride, and deservingly, in having suc-

ceeded in raising his last loan at 4½ per cent interest. If the Canadian government can borrow this money at 4½ per cent, it should grant loans to farmers at the same rate of interest and bear, as a service to the public, the cost and risks which fall upon the farm loan commission, instead of passing it on to the borrowers. I read in the Journal this morning that Nova Scotia, one of the smallest provinces of Canada, but probably one of the best administered, especially since the change of government, succeeded in negotiating a loan, these last days, at 3½ per cent interest.

If I have time, sir, I shall refer briefly to another part of the budget, the statement relating to the decrease of the burden of liabilities and interest which fall upon the farmers. At page 2270, the Minister of Finance states:

I have referred to the steps which have been taken to promote a lowering of interest rates. Interest is one of the rigid factors in our price structure and the burden of fixed charges caused by the extravagant borrowing of the war and post-war years, aggravated enormously as it has been by the fall in prices, and for public bodies also by the necessarily large expenditures for unemployment relief during the depression, has been too far frequently discussed in this house to need elaboration here. For certain individual debtors the burden has become unbearable and the government proposes to bring down at an early stage legislation designed to provide machinery whereby farmers who find themselves unable to pay the fixed charges on their outstanding debts will be able by an expeditious and inexpensive process to work out compromises with their creditors and to obtain new working capital. The guiding principle of this legislation will be to secure for the farmer a simplified debt structure reduced in size to a point where the carrying charges will be within the capacity of the farm enterprise to pay.

A little further at page 2271 the Minister adds:

I have already discussed the question of raising the price level which automatically serves to reduce the real burden of debt. A second factor which works both directly and indirectly is the gradual lowering of interest rates.

The minister does not state how this lowering in the interest rates will take place and how the debtors will transact with the creditors. He simply states that a bill will be introduced this session. Will the government purchase, discount or guarantee the mortgages of farmers? Will they extend the maturity of notes and take over the interests at the reduced rates? Will they encourage the transfer of these mortgages to the farm loan commission and allow the latter to grant to farmers a wider margin of credit and on easier terms? We do not know and there can only be conjectures.

However, I trust that, although favouring the reduction of the liabilities of farmers—on which we all agree—the government will not attempt to force the creditors to bear a loss either of capital or interest. This procedure would not remedy the evil. In fact it would only mean robbing Peter to pay Paul, despoiling one class of people for the benefit of another and would not be of a nature to increase much the general welfare of the nation. We have heard the Prime Minister referring to the sacredness of contracts in connection with the country's debts; the mortgage contract which the farmer signs with his neighbours is as sacred as the contract the government signs in connection with loans. I wish to point out to the Minister of Finance another angle of the question. In my province, it often happens, when farmers become old they transfer their property to one of their sons in consideration of a life annuity or they sell it to a neighbour who pays him the interest on the sale price, payable at fixed periods. Often our retired farmer has nothing else but this annuity or interest to live upon for the remainder of his days. The Minister of Finance would cause much harm to these people were he to reduce this annuity. However, I am certain that he does not intend to do so, and I equally feel sure he will reduce the burden of liabilities which weigh upon farmers, it is an urgent and necessary step, but in no way must it affect the rights of anyone.

In closing my remarks, sir, may I suggest to the hon. Minister of Finance that, before making too radical a change in our economic and financial system, he should take the advice of those who, in the house or cabinet, represent the views of the older settlers among Canadians, namely, the descendants of pioneers who founded this country and who have fought for the liberties we enjoy to-day. One, perhaps, too readily listens to radical suggestion—coming from persons recently settled, who know nothing of our history and traditions.

I therefore trust, sir, that before listening to the requests, suggestions and unreasonable demands of Canadians who have more recently settled here, the hon. Minister of Finance will inquire as to the feelings and views of those who, in the house represent the older Canadians.

Mr. G. B. NICHOLSON (East Algoma): Mr. Speaker, it is impossible at this time for one to rise to say a word about the budget without feeling the shadow of the great tragedy which came into the home and the private life of the hon. gentleman (Mr.

Rhodes) who but a few days ago stood in his place in this House of Commons and delivered the budget speech. It is one of those situations which cause a man to feel how utterly impotent he is to say any word which might carry consolation to the heart and soul of the man who suffers. We can with confidence say only this, that he himself knows as well as any other hon. member in this house the source from which genuine consolation can come. We may however extend to him our very deepest sympathy, and speaking for myself and for hon. members around me I should like so to do.

In the manner of its presentation and in the material it furnished to hon. members and to the country the budget has given splendid evidence of the tasks this government has undertaken and the problems it has been meeting during the last four years. It gives equally splendid evidence of the care with which the tasks have been undertaken. Having all the circumstances in mind, the country and the house have reason to congratulate the Minister of Finance (Mr. Rhodes) and the government upon the presentation they were able to make.

I wish very briefly to refer to the amendment moved by the hon. member for Shelburne-Yarmouth (Mr. Ralston), to whom for the time being the responsibility has been given of acting in the capacity of official opposition critic. The amendment moved by the hon. member is quoted at page 2445 of Hansard as follows:—

> This house regrets that the proposals of the Minister of Finance give no indication of the intention of the government to abandon the policies of economic nationalism which have proved so disastrous to Canada's trade.
>
> It is of the opinion that the immediate substitution therefor of policies which will promote export trade throughout the world is essential to any permanent improvement of conditions in Canada, and to the successful application of other policies respecting credit and employment designed to effect this end.

As one reads and ponders these words I am sure he must reach the conclusion that the hon. member missed his calling. As a matter of fact he has lived too late; he should have been engaged in European diplomacy during the middle and last parts of the nineteenth century, a time when to clothe one's thoughts in words which could not be understood was to reach the highest attainment in that exalted profession. It would be interesting to have the hon. member analyze and show just what is meant by the last paragraph of that resolution. For my part I do not intend to attempt to do it, but I wish to refer to the first paragraph in which he intimates that a policy of economic nationalism is being followed by this government.

I shall not quote my hon. friend verbatim, because my time is not unlimited like his was; but he indicated that the policies of this government since 1930 had brought about conditions throughout the world that made it difficult for nations to sell goods to other nations—a policy of economic nationalism as illustrated by national tariffs. I cannot help wondering what the hon. gentleman and his friends were doing from 1921 to 1930, because if ever there was a period in this world's history when economic nationalism was emphasized, that was the period. The countries to which we sold goods had every one of them raised tariff barriers from fifty to five hundred per cent against Canadian goods, and in my search of the records I cannot find a single instance in which anything was done by the government of which my hon. friend was a member to alleviate the conditions or break down those barriers, particularly against the natural products of this country.

My hon. friend also referred to the trade agreements between Canada and other parts of the British Empire, and particularly between Canada and the United Kingdom. As my hon. friend did in relation to this budget, on October 20, 1932, he moved a sweeping resolution condemning every phase of the trade agreement entered into between Canada and the United Kingdom, and specifically mentioned two products, apples and lumber, to which I shall refer a little later. The apple growers in the Annapolis valley in Nova Scotia, from which province my hon. friend comes, were not going to profit in the slightest degree from this trade agreement, nor were the lumbermen in the maritime provinces going to profit in the slightest degree; as a matter of fact, no lumber producer anywhere in Canada was going to profit from it, according to my hon. friend, who levelled his criticism particularly against article 21 of the trade agreement, by which the government of the United Kingdom undertook to implement the preferences entered into in the agreement in the event of any other country attempting by government action to create what might be called illegitimate competition, or state-aid dumping, if you will. That part of the agreement came in for very special denunciation by my hon. friend. Speaking on the budget again this year he referred particularly to one or two of these commodities, especially lumber.

Let me point out what has happened as the direct result of the trade agreements in the

case of three products only. The list is too long and the range too wide for me to attempt in the time at my disposal to cover all the articles, and I think these three will suffice, two of them being commodities to which my hon. friend particularly referred.

I take first apples. For the year ended March 31, 1932, we exported to the United Kingdom 1,422,603 barrels of apples valued at $5,577,339, and for the year ending March 31, 1934, 3,057,897 barrels valued at $11,368,385. That represented an increase of more than one hundred per cent in both volume and value. Yet that was one of the products which my hon. friend said could not profit in the slightest degree under the trade agreements.

I take another product of particular importance to Ontario, Quebec and the middle west—bacon and ham. For the year ended March 31, 1932, we exported to the United Kingdom 150,276 hundredweight valued at $1,751,231, and for the year ending March 31, 1934, 945,597 hundredweight valued at $12,366,426, representing an increase in volume of about six hundred per cent, and an increase in value of over seven hundred per cent. Yet my hon. friend and those around him stand up in this house and condemn the trade agreements between Canada and the United Kingdom and other parts of the empire, day in and day out, both in this house and out of it.

I come now to lumber. I have some personal knowledge of the lumber industry. I took some humble part in the efforts to bring about the arrangements by which the door into the United Kingdom market was opened to Canadian lumber products. My hon. friend stated and restated that the lumberman in the maritime provinces could not benefit from the agreements in relation to lumber. I do not know whether he is acquainted with what is going on in the maritime provinces, but I say to him that if he would consult the present premier of Nova Scotia, the premier of New Brunswick or the minister of lands and forests of either province, he would then be in a position to tell me that Nova Scotia and New Brunswick are not able to fill the demands for lumber for export to the United Kingdom. Practically every available board and plank of sawn lumber in Nova Scotia, New Brunswick and the eastern part of Quebec was shipped out during the season of 1933. Firm contracts were entered into by exporters in Canada and importers in the United Kingdom to such an extent that it is extremely doubtful if these provinces will be able to meet the demand in 1934.

In the year ended March 31, 1932, Canada exported to the United Kingdom 117,051,000 feet of sawn lumber, valued at $3,252,621. By March 31, 1934, the first full year after the agreements had been in effect, the exports of sawn lumber amounted to 595,647,000 feet valued at $10,302,495. There was an increase of just five hundred per cent during the first year the trade agreements were in operation, and yet my hon. friend stands up in this house in April, 1934, and says that these trade agreements are of no value to the Canadian lumberman, the man who works in the lumbering industry, the farmer who produces bacon hogs or the man in Nova Scotia, Ontario or British Columbia who cultivates an apple crop.

I should like to direct the attention of the house to the manner in which increased exports of lumber affect the economic life of this country. In the brief presented by the Canadian lumber industry, in connection with which the lumber producers in every province in Canada were concerned, this statement is made—

Mr. MUNN: Would the hon. member state whether the figures he gave were those for the whole of Canada, or just for Quebec?

Mr. NICHOLSON: They were for the whole dominion. Let me repeat that during the first year the trade agreements were in operation, our exports of lumber to the United Kingdom increased to 595,000,000 feet. The following statement was made in the brief:

> The production of 1,000 million board feet of lumber furnishes direct employment to between 30,000 and 35,000 men per annum, and in addition the industry purchases, on a general average, supplies, equipment, et cetera, as set out in section 5 of the attached memoranda, to an amount equal to the total of its payrolls or the equivalent of the wage bill for an additional 30,000 to 35,000 men.
>
> The marketing of 1,000 million feet of lumber furnishes traffic to Canadian railroads amounting to between 55,000 and 60,000 carloads, meaning a substantial increase in the employment provided for railroad men.
>
> To summarize: the direct effect of the maintenance of an employed population in Canada for each 1,000 million board feet of lumber produced means wages to not less than 60,000 to 65,000 men.

There is no industry in Canada which means so much to the employment of labour and the circulation of money as the forest products industry. If any hon. member desires them, additional figures are available in this brief, but I shall not tire the house by reading them. However, I should like to give the figures in connection with our foreign trade. In 1931 the forest products industry had the second largest volume of

export trade in money value, it being $184,641,000 as against $209,000,000 for agriculture and vegetable products combined. In 1931 the favourable balance of trade in the forest products industry was $163,261,000. I think this is important in the light of the efforts being made to misrepresent, belittle, and if possible destroy the effect and influence which these trade agreements have had upon the forest products industry, particularly the sawn lumber industry.

The aim and effort of the economic committees of the governments of the lumber and timber producing provinces—in their discussions with the British representatives they made it quite clear—was to have the exports of sawn lumber from Canada to the United Kingdom brought up to a thousand million feet. There have been times in the history of Canada when these exports amounted to fifteen hundred million feet, but it was felt that if our exports could be brought up to a thousand million feet, the industry would be so stimulated that it would be again in a position to play a very important part in the industrial life of this country. Certain hon. gentlemen and certain sections of the press consistently belittle these trade agreements and by means of insidious propaganda endeavour to create a feeling which would lead the British importers to believe that we are not playing fair with the British people. In a moment I shall refer to another aspect of this inter-empire trade which I think deserves some attention. In the meantime, I will point out certain indications of the influence which these trade agreements have. I ask the hon. member for Kenora-Rainy River (Mr. Heenan), who is constantly berating the government for neglecting the part of the province from which he comes, northern Ontario, to note this. As a result of these trade agreements there is to-day a vessel finding her way up the St. Lawrence river, through the St. Lawrence canals, and into the great lakes to load lumber for Liverpool at the port of Little Current. This means the opening up of northern Ontario and the northwestern part of Quebec and provides an opportunity for stimulation of the lumber trade which it is impossible to exaggerate. This is not the only one, as others will follow during the season. This is something which has never happened before and which could not have happened but for these trade agreements.

The hon. member for Shelburne-Yarmouth, speaking on this matter, says: You must buy if you want to sell. That is perhaps true, but on the other hand, you must sell if you are going to buy and keep at it very long. The first thing we have to think of is selling something. The Canadian lumberman, the Canadian pulp and paper manufacturer and the Canadian wheat farmer cannot buy very much if they cannot sell their products.

Turning for a moment to the things which we might purchase from the United Kingdom: I have heard it stated so many times that I have become sick of listening to it—I have seen it stated in sections of the Canadian press which is distinctly anti-British Empire—that we in Canada are putting it over on the British Empire in that we are not purchasing the goods we should and that we made no efforts to open up avenues of trade during the conference at Ottawa by which the exporters of the United Kingdom could get their quid pro quo, as the hon. member for Shelburne-Yarmouth stated. Well, in this document which was designed, whether it did or not, to play some small part in the working out of these trade agreements there are five and a half closely typewritten pages setting out goods which the Canadian lumber industry as an industry buys, and specifically listing hundreds of articles purchased by the Canadian lumber trade in the woods and saw milling operations and in the pulp mills as well, goods which are imported into this country and which the British manufacturers themselves produce. There is something to be said for the necessity of the British manufacturer selling his goods to the Canadian purchaser. The Canadian lumbermen have to sell their goods to British importers and it is necessary that the goods be manufactured to suit the particular requirements of the British trade, a different standard of manufacture entirely from that prevailing in Canada or in the United States, our alternative market to some degree.

Now the question I ask is this. Why should it not be the business of the British trade commission right here in Canada to ascertain what these goods are and why it is that the British manufacturers are not selling them in this country? Why should the British steel manufacturers, in Sheffield or in any other part of England, not sell to the Canadian saw manufacturers steel plates out of which the Canadian saw manufacturers make saws? That is one item that comes to my mind, but there are hundreds of them, and more particularly in the type of logging carried on in the lumber industry in British Columbia. I grant at once that I am not so familiar with the industry in British Columbia as I am with it in eastern Canada, but I do know from a consultation we had

during the working up of the brief that there is a vast variety of mechanical appliances imported by British Columbia lumbermen, not manufactured in Canada but in the United Kingdom, though, strange to say, imported from foreign countries. I submit that first for the consideration of the Department of Trade and Commerce in this country and secondly for the British trade commission itself.

I do not want to take up too much time with regard to an industry with which I am personally connected, although I will repeat that there is no industry, certainly none in Ontario or Quebec, that can play so important a part in bringing this country back to normal conditions and providing profitable employment for Canadian workmen, and to some extent markets for the produce of the farm, as the lumber industry.

I wish now to refer for a few minutes to the devastating attacks made upon the government in relation to the tax on gold mines, and in order that I may make myself perfectly clear in this regard I may say that I come from a section of Canada which has as vital an interest and concern in gold mining as any other part of the dominion, although I submit without question that every part of Canada should be interested in the subject. During this period of depression gold mining has been of the greatest value to the country and will continue to be as time goes on, because in reality we have just begun to scratch the surface.

The policy which this country should follow with regard to gold mines—and I refer particularly to the position taken by my hon. friend from Winnipeg North Centre (Mr. Woodsworth)—is this, that there should not be left in the ground in any mine a single ton of rock, which can be taken out and from which gold can be extracted and sold at the world price of gold. We cannot as a nation afford the economic waste involved in any policy that will force any mine to leave so called low grade ore in the ground. But it does not follow from that that mines producing enormous wealth, mines that have been successful, should not be taxed. The people operating the mines do not expect it. I have received many letters since the discussion took place with regard to this tax, and I am of the opinion that the matter would have been worked out sooner than it has been if it had not been for the unwise and prejudicial statements that appeared in certain sections of the press with regard to what the government was trying to do. The Minister of Finance has been criticized because he did not bring down a perfect scheme of taxation of gold mines. I challenge any member to point to a single new tax that any minister of finance has ever brought down that did not meet with criticism and was not subject to subsequent revision. It is necessary; it is natural. I submit that it was impossible for the Minister of Finance to disclose his plans to experts in the mining industry, and all that sort of thing, and as it finally works out it is the profits of the mines that are able to pay these taxes that are being imposed. Presidents of mining companies, and people interested in large mining companies, are ready to say to-day and have said that the provisions now made by the Minister of Finance are for the time being absolutely fair.

I am inclined to think that this subject having been brought to light in the manner in which it has is probably a good thing for the country and for the mining industry because it makes it possible for those who are interested in it and who perhaps know something about it to put before the public what the actual situation is. When you speak to men who are looking only at the returns from a few large mines they always refer to Lake Shore and Harry Oakes and Hollinger and Noah Timmins and these men. They lose sight altogether of the weeks and months and years that these men tramped the trails of northern Ontario in the effort to find these mines. And what they lose sight of to a greater degree is the fact that, as my hon. friend from North Timiskaming (Mr. Bradette) said to-day, for every dollar that has so far been taken out of the claims in this country a dollar and a half or two dollars has gone into the ground in the effort to find gold. I cannot give a better illustration than to read something that appeared in day before yesterday's issue of Saturday Night, in reference to one gold mine in northern Ontario:

> Kirkland Lake has never paid a dividend, although having carried work to 5,500 feet in depth. This is pointed to in mining circles as evidence of the great courage displayed by those who finance mining enterprises, and as an illustration of why the shareholders of mining companies should not be taxed unduly at such times as they have the good fortune to back a winner. It is twenty years since the representative of Saturday Night first went over the McKane claims, then the nucleus of the Kirkland Lake mine—two decades of patient waiting by a courageous band of shareholders.

And yet those men under competent engineers, backed by the advice of the best geologists we have in this country—and we have some of the best in the world—are going down, down and down, spending their own

money, supported by their conviction that ultimately they will get gold in substantial, paying values.

Just one further illustration, because my time is limited. I have watched for four consecutive years the development of a gold area or what it is hoped will be a gold area. In 1928 a group of men, ready to venture all the money they themselves had in the world and their own time as well, started out on a prospecting campaign; they staked many claims and spent a tremendous amount of money, but in 1930 their prospectors came across a field that looked so promising that they staked some claims and began to work. For four long years not only that group but another group of men, with very substantial sums of money put into the enterprise by Canadian investors who were willing to stake claims, first, in the hope of getting some gold for themselves and, second, in their anxiety to develop this country, worked first on the surface, then by diamond drilling and later by sinking shafts. One of those properties is to-day so far developed that if you go down five hundred feet in shaft number one, travel through all the underground workings walking as rapidly as you can, and come out at shaft number two, 1,850 feet away, on the surface, it will take you four hours to do the walking. Yet, if you asked them to-day they would say that they do not know so far whether they have a mine, but to back up their efforts they have the conviction that something worth while will ultimately be found. That is just a single illustration of what is taking place over all this great country.

May I repeat that this gold tax as ultimately placed is fair and equitable and is felt so to be by those in the best position to know; yet the general policy of this country should be to do everything possible to encourage and not to discourage new ventures in gold mining, because it will ultimately become the greatest asset this country has.

Just a word in conclusion. Beginning with the middle of last year, a consistent, constant, gradual improvement in business has been, generally speaking, going on across Canada. More men are being employed; more goods are moving; railway traffic is increasing and everything indicates a general rise, the best kind of rise that we can have. I am not for a moment going to suggest that we are by any means out of the woods; we have ahead of us difficulties, external and internal. My opinion is that the greatest shadow that overhangs the continued improvement of business in this country comes from outside the dominion altogether, from what may happen in other countries. But we still have internal problems, the first and greatest of which is perhaps our debts, debts of every character, personal, corporate, municipal, provincial and federal, debts created first during the war period and then in the inflationary period following the war. By care, by sound thinking, we can get out of these debt difficulties. We cannot get out of them by the application of any patent formula. I am in the timber business; I have been taking out pulpwood this very year to manufacture paper, but you cannot get out of the difficulty by setting paper mills at work making paper and printing presses to print money on that paper; that is utterly impossible. It can be done only by hard work and the application of sound business principles. Regardless of what anybody else may say, that is my conviction. You might as well expect that a man could take his whole life's savings, whatever they might be, his house, clothes and everything else he has and make a bonfire of them and then feel he was going to be as materially well off as before, as to expect that this world can get away from the destruction of the period from 1914 to 1918 and the inflationary gambling period from 1921 to 1930 without having to work hard in order to climb the hill. What we require in Canada is patience, cooperation, in order to do that, and if we exercise those traits, we shall do it.

Another important problem and one that must give serious minded men everywhere food for thought is that of our great central west. The three prairie provinces—I am speaking as an outsider looking in but as one who has traversed them more than once—built up their material and social life principally around one great product, wheat. In the last five years the aspect of the wheat marketing possibilities has completely changed. Wheat is being grown in almost every country in the temperate zone, and European countries, where our great market formerly was, have in many cases practically closed their doors against us and are growing their own wheat. We cannot overcome that situation until they are ready to open these doors. Following that, perhaps the greatest difficulty is the menace of drought and insects in large parts of western Canada. For four years in succession a large section of that great area has been overtaken by drought. The hon. member for Shelburne-Yarmouth will blame the government for that, and maybe it is responsible; perhaps through the omnipotence with which it is credited, it could have overcome that but did not. This

year, if reports are correct, there is just as great a menace in the insect pests. My final word is this, that the condition of the central western provinces is a challenge to every right thinking man in this country. Some solution for these problems must be worked out, and they must be worked out not by factious quarrelling as to methods and particular aspects of the matter but by cooperative effort on the part of all the Canadian people. If we apply ourselves in that way we shall ultimately succeed, overcome our difficulties and make Canada what we hope and always have hoped its destiny should be.

Mr. J. R. HURTUBISE (Nipissing): Mr. Speaker, at the outset I want to join the hon. member for East Algoma (Mr. Nicholson) in offering my heartfelt sympathy to the Minister of Finance (Mr. Rhodes) in his great bereavement.

It is not my intention to deal at length with the financial situation at present under discussion. Others have already brought forth many arguments which are of a constructive nature but which will be considered by some to be of a destructive nature. I believe in frank discussion where everyone can express his opinion, because something good and practical always comes out of it. It is from this point of view that I appreciate the privilege of saying a few words with regard to some matters that I have particularly at heart.

First, I want to join the hon. member who preceded me in congratulating the Minister of Finance on the noble effort he has made to frame a balanced budget and to convince the Canadian people that the depression is a thing of the past. I have a great deal of sympathy for the Minister of Finance; I know he has been working under great difficulties, but in my humble opinion he never will be able to balance his budget by only reducing his expenditures and imposing new taxes. Our national debt, including federal, provincial and municipal debts, has reached such a height that we cannot expect to meet our obligations and reduce our debts unless we adopt some radical means. The figures in regard to our national debt are as follows:

1930	$2,177,763,959
1931	2,261,611,937
1932	2,375,346,172
1933	2,599,089,000
1934	2,789,152,000

In four years, therefore, we had an increase in our national debt of $596,000,000, and the debts of the provincial governments have increased in proportion. The gross debenture debt of municipalities of over 4,200, by provinces, as of December 31, 1931, was as follows:

Alberta	$ 78,679,570
British Columbia	129,913,890
Manitoba	116,864,937
Ontario	499,002,074
Nova Scotia	31,386,025
New Brunswick	21,477,521
Prince Edward Island	1,863,211
Quebec	362,132,334
Saskatchewan	47,488,595
	$ 1,288,808,157

Other liabilities, consisting of temporary loans, overdrafts on banks, accounts payable and so on, amount to $295,223,318. Interest payments on municipal bonded debts total about $63,000,000. While the figures for public debt can be obtained with approximate completeness, those having to do with private indebtedness can cover the field only partially. Out of a total of 654,297 owned and partly owned farms in the dominion, 244,201 were mortgaged to the extent of $677,564,100, and it should be pointed out that this figure refers only to the debt secured by mortgage or an equivalent legal instrument, on lands and buildings, and these figures include owned farms. It is estimated that the urban mortgages held by corporate lenders amount to about $765,000,000. Some estimate the general national debt at ten billion dollars, while others place it at twelve billion dollars.

This is a very discouraging situation, and I regret to be obliged to present such a dismal picture of conditions, but are we to sit content and listen to optimistic speeches while we refuse to heed the alarms that are being sounded to show that we are heading for disaster? In the last few years we have been advised by great authorities in economics that unless some radical change is made our social and economic system is doomed. We are crushed by debts, and just here I should like to quote a humorous article published two years ago which expresses very well the situation in which the people find themselves to-day. A man was asked to make a payment on his note, and here is his reply:

> In reply to your recent requests to send you a cheque, I wish to inform you that the present shattered condition of my bank account makes it impossible for me to take your requests seriously.
>
> My present financial condition is due to the effect of dominion laws, provincial laws, municipal laws, country laws, corporation laws, liquor laws, traffic laws, by-laws, brother-in-laws, sister-in-laws, mother-in-laws and outlaws, all of which have been foisted upon an unsuspecting public.

Through these laws I am compelled to pay a business tax, sales tax, amusement tax, gas tax, school tax, water tax, excess tax, auto tax, hydro tax and syn-tax.

In addition to these irritating taxes I am forced by the strong arm of the law to get a permit for this thing and a permit for that thing. I am required to get a business licence, a city licence, a provincial licence, a sign licence, a dog licence, a motor licence, a radio licence, a liquor licence—not to mention my marriage licence.

I am also requested and required to contribute to every society and organization which the inventive genius of man is capable of bringing into life.

For my own safety, I am required to carry life insurance, liability insurance, fire insurance, compensation insurance, accident insurance, collision insurance, rain insurance, hail insurance and business insurance.

The government has now so governed my business that it is no easy matter for me to find out who owns it. I am inspected, expected, introspected, suspected, disrespected, examined, reexamined, informed, required, summoned, fined, commanded and compelled, and simply because I refused to donate to each and all, and to go out and beg or borrow or steal money to give away, I am cussed, discussed, boycotted, talked to, talked about, lied to, lied about, held up, held down and robbed until I am nearly ruined.

This is a picture of the Canadian taxpayer to-day, and I do not know how long he will last. I have listened to three budget speeches; each time I was led to expect that at least we would balance our budget, but at the end of each fiscal year we had to face increasing deficits. I do not believe we will ever succeed in paying our debts so long as we have to borrow money to pay interest. We are in a queer situation; we all want prosperity, yet we have nothing but poverty; we want peace, but we have unrest. Since 1930 all kinds of palliatives have been tried in an attempt to cure the situation. All conceivable powers were given the government to cope with the difficulties confronting the country, but what did the people get under the unemployment relief acts in comparison with what they were promised so emphatically in 1930? They were given temporary relief and palliatives which to date have cost this country $112,000,000. We were all in favour of some kind of relief, and if at any session we opposed the relief act it was because the blank cheque was contrary to the principle of responsible government and to the control of parliament over legislation and expenditures. For the same reason we have opposed other legislations. In 1931 a program of public works was begun, but in 1932 and 1933 that program was replaced by a system of direct relief or dole which has been the curse of the country, even to the Tory party. Then, in 1934, on the eve of an election, we are advised that a great construction program is to be started. We are told to carry on in the expectation that general conditions will improve and that matters will in time adjust themselves. In the meantime, however, the great mass of unemployed, the small town proprietors and the farmers are in a sad predicament. Many of them are being dispossessed. All have been waiting for the solution promised by the government and a great many are now so utterly discouraged that they do not care what the outcome may be. The panaceas advocated and adopted have proved to be altogether inadequate. Protection and high tariff are now repudiated by all economists, bankers and even by prominent Tory politicians. The intra-empire trade is far from bringing the results which were expected. On the eve of an election the government has instituted a committee to investigate price spreads and mass buying. I would not be surprised if it were followed by the same effects which have followed other investigations. The Canadian people are anxiously watching these dilly-dallying operations and they are asking themselves if a remedy is going to be offered for the situation which is dragging us down to disaster. We must realize we are passing through a period of evolution. There are signs everywhere that the structure of national and international finance has permanently broken down and cannot be reconstructed along old lines. The government is doing little or nothing to cope with that situation.

Science and mechanization have made such progress that the whole economic system has been thrown out of balance. Agriculture, which has always been the basic fabric of our economic welfare, which has kept our capital active and has provided employment for the greater part of our population, has given place to science and to machinery. The use of machinery has displaced human labour and brought about the centralization of capital followed by unemployment and the freezing up of capital. On the other hand our assets have not diminished; they are the same as they were. Our means of production have increased and, as has been said, we are starving in the midst of plenty.

I believe the time has come when the government should consider drastic legislation for the reduction of our capital obligations and for the alleviation of the mortgage burden carried by the farmers and labourers who are making every effort to save their homes. Under the policies followed by the present government we will have some day to face one of three things: First, a substantial reduction in or

total suspension of all interest and compound interest on our capital debt, whether we like it or not; second,—and this is the course which most of us fear—the reduction or cancellation of part of certain capital debts, or, third, liquidation in the near future. I may be considered a pessimist, but when I make these statements I merely repeat what has been said by many national and international authorities in economics.

Following these general considerations I wish to refer to the budget speech. First may I direct my observations to the ten per cent tax which originally was imposed on the gross gold production. Some short time ago a change in that proposal, which will be much more acceptable to the country generally, was communicated to the house. The ten per cent tax on gross production would have been quite unjustifiable; it would have meant the closing down of many mines, and a death blow to prospectors who have made discoveries which have been the pride of the different provinces, and chiefly the province of Ontario. It would have meant unemployment for thousands of people either directly connected with or indirectly affected by mining.

Very shortly after the budget was published I received telegrams and letters from boards of trade in different cities and towns. I refer particularly to Sudbury and North Bay where there was a keen realization of the far- reaching effects of such a tax. The day following the delivery of the budget I received the following communication from the Sudbury board of trade:

> Sudbury board of trade strongly protests the tax budget speech proposes placing upon gold production which will mean extinction of many small and low grade producers now under development with consequent serious loss of employment in mines and in industrial and mercantile establishments catering to the industry.

Then, the board of trade of North Bay sent the following letter:

> The North Bay board of trade strongly express the hope that the federal government in reconsidering the proposed tax upon gold production, will see that every consideration is given to the many small and low grade producers of gold in northern Ontario. Industrial and mercantile interests as well as the great body of men engaged in the industry of mining should be given consideration in such a manner that will tend to keep the wheels of progress in motion in this great area of mineral possibilities.

Representations have been made from all parts of the country, and I am pleased to note that the government reconsidered its blunder and has taken a wiser step. Even people far away from the mining industry have made protests. Here is one:

> The Minister of Mines in the Bennett government comes from Haileybury and his constituency embraces the rich Kirkland lake area, which mines about half of Ontario's annual gold production of $70,000,000.
>
> If anyone in the government should know anything about the mining situation in Ontario, Mr. Gordon ought to be the one. But Mr. Gordon knew nothing whatever of the plan to put a ten per cent tax on gold until the day before Hon. E. N. Rhodes, Minister of Finance brought down the budget on Wednesday. Mr. Gordon was not even consulted and he happened to find out because the cabinet ministers were allowed a peek at the budget a few hours before it was delivered. In fact at Easter Mr. Gordon assured mining men there would be no tax levied on gold.
>
> The question crops up: Why have a Minister of Mines, and why have a member from the mining district as minister? Mr. Gordon may have been proud of the post, but the present situation makes his portfolio look like an empty title and puts him in a foolish light.

I think the government realized its blunder when it received protests from all parts of the country interested, and as a result the Prime Minister last Thursday gave notice of the amendment to the gold tax proposal. The position of the Minister of Mines was so ridiculous that it would have been only logical that he should have resigned his portfolio as Minister of Mines had there been no amendment to the gold tax proposal. But while the tax has been amended to the satisfaction of the Canadian people, I believe a discrimination still exists. Why discriminate against the mining industry when other industries make as big if not bigger profits? As has been well said this afternoon, there are big monopolies in this country in tobacco, in gasoline and other commodities, the profits of which are as big as those in the mining industry, if not bigger. The gold tax does discriminate against one particular industry, and the people of Canada I believe see the injustice of it on that ground.

My hon. friend from Winnipeg North Centre (Mr. Woodsworth) said that he would like to go a little further than placing a ten per cent tax on the gross production of gold; he wanted to nationalize the whole mining industry. Does he really want to kill the goose that lays the golden eggs? What we want is to regulate her diet, not to starve or kill her.

As to the other taxes proposed in this budget, they are of very little importance. The sugar tax has been reduced from two cents to one cent a pound, and there is a reduction on beer, ale, porter, champagne and postal notes, from three cents to one cent, but these are of very little importance.

In conclusion, Mr. Speaker, let me say that a time has come for a change in the fiscal policy of this country. I agree with the Minister of Trade and Commerce (Mr. Stevens) that we are passing through a period of great evolution, but it is not with the shibboleths, as he calls them, with which we have been supplied for the last four years, that we shall be able to cope with the situation. Let us be frank and honest. Let us rid ourselves of this narrow national and imperial protectionist policy. Let us have economic policies which will decentralize and thaw frozen capital, and bring about a better distribution of our production, that will relieve unemployment and bring back, if not prosperity, at least peace and contentment to the great mass of the people.

Mr. W. T. LUCAS (Camrose): Mr. Speaker, on behalf of the members in this part of the house may I first be permitted to offer our sincere and deepest sympathy in the very sudden and great bereavement sustained by the Minister of Finance (Mr. Rhodes).

The budget, Mr. Speaker, as presented by the hon. Minister of Finance on April 18 last sets forth in very clear detail a financial picture of Canada. When one realizes the ever growing debt structure and increasing interest payments, not only is the picture not a pleasant one, but one wonders how long a population of ten million people can struggle along under such a burden.

The budget follows along the well beaten track of all budgets since confederation, and offers little hope to the struggling masses of any great measure of relief. As an orthodox budget there is very little to criticize, for the changes in taxation, while few and small in extent, are at least downwards, and likewise the tariff changes.

The reduction in the sugar tax to one cent a pound will no doubt be welcomed by the Canadian people and the substitution of a tax on gold to make up for the loss of revenue occasioned by the reduction in the sugar tax will on the whole be well received. The recent announcement by the Prime Minister (Mr. Bennett) that adjustments are to be made in the gold tax as originally brought down so as to exempt the low grade mines from the operation of the tax should stop any controversy so far as they are concerned. The others in my opinion can well afford to pay, and I trust that the revenue to be derived from the industry will in no way be diminished by the change. It is the one industry that has prospered throughout the whole of this depression, first because of the fixed value of gold by law, and again by its revaluation upwards by approximately seventy-five per cent. Also in my opinion the industry has paid less taxation in proportion to its means than any other industry, because it is allowed fifty per cent for depletion, and shareholders are allowed an exemption of fifty per cent on dividends for income tax purposes. But now that the government proposes to put a tax of ten per cent on the industry, its cry goes up to high heaven. Well, Mr. Speaker, my sympathies are all with those people who can ill afford to pay the sugar tax, and if the government had decided to wipe out the sugar tax entirely and make up that loss in revenue by an added tax on gold it would have received my support.

The Prime Minister a few days ago made the statement that generally speaking in the search for and mining of gold there was more money put into the ground than was taken out. If that is true, and I believe it is, we might have saved ourselves a great deal of energy and the hardship entailed in digging for this gold, and been just as well off in the end. In fact, we might have found ourselves in a much happier condition if we could have rid our minds of this gold superstition, and allowed our people to consume according to their ability to produce rather than have their consumption curtailed according to their ability to find gold, which is now no longer used in the everyday business of the country. It is generally recognized that superstition is the sign of ignorance, and that as education advances, superstition tends to disappear. Like the medicine men of Indian tribes who held their privileged position by cant and the fear which they instilled into the minds of the innocent members of their tribe, so the money changers of to-day hold their privileged position and power by the superstition and fear instilled into the minds of the people that unless their medium of exchange is based on gold they would all surely starve. It is an encouraging sign to note that there is a growing number of people throughout the world who at last are ridding their minds of such nonsense. Here might I be permitted to quote from a letter to the editor of the London Times by a body of business men in England asking for a parliamentary investigation into the workings of our money system:

> The modern paradox of poverty in the midst of plenty was the subject of a challenging passage in the speech of His Majesty the King at the opening of the world economic conference last year. His Majesty said:—
>
> It cannot be beyond the power of man so to use the vast resources of the world as to ensure the material progress of civilization. No diminution in these resources has taken

place. On the contrary, discovery, invention, and organization have multiplied their possibilities to such an extent that abundance of production has itself created new problems.

Under modern scientifiic conditions the capacity of industry to produce is unlimited, and the continued existence of destitution, poverty, and unemployment throughout a large portion of the population demonstrates the fact that the present monetary system, the proper function of which is to facilitate the production of goods and their distribution to consumers as required, has broken down, both in its national and international aspects. The system is obsolete and has become a hindrance to the effective distribution of goods.

The object of production is consumption, and with approximately 90,000,000 people destitute or on the verge of destitution in the advanced nations which keep statistics, it cannot be suggested that the desire to consume is not present. Both these primary functions of the economic body—production and consumption—are frustrated, and what should be a healthy and vigorous organism is paralyzed in peacetime by the failure of the monetary system of distribution.

The monetary system is man-made and can be altered; there is nothing sacrosanct about it.

We, the undersigned, in common with a large and rapidly growing body of citizens who are genuinely concerned at existing conditions, have come to the conclusion that gold is not essential as the basis for the issue of national money, and that nations should not be under obligation to make payments internationally with gold. A system must, in our view, be established under which the issue and recall of currency and credit will be regulated on a rational, national, and scientific basis, so that the correct number of money-tokens shall be available to consumers to enable them to enjoy the output of production.

We appeal, through your columns, for an immediate investigation by parliament of the fundamental principles which should govern our monetary system with a view to its reform in the interests of both producers and consumers.

There is, in our opinion, no need to wait for international agreement, since if Great Britain gives the lead, other countries will, we believe, find it in their own interests to follow.

This letter is signed by:

G. R. Clarke, Robert James, Maurice Jenks, Stanley Machin, James Martin, A. G. Pape, Reginald Rowe, Semphill, A. Verdon-Roe, Vincent C. Vickers.

If any hon. member will take the trouble to look up the standing of those gentlemen he will find that they are all outstanding in the business life of Great Britain. I believe one of them was a former governor of the Bank of England.

The statement made by the Minister of Finance (Mr. Rhodes) at page 2270 of Hansard to the effect that the government proposes to bring down legislation to deal with farm debts will be well received by a great many people throughout the country. He stated:

For certain individual debtors the burden has become unbearable and the government proposes to bring down at an early stage legislation designed to provide machinery whereby farmers who find themselves unable to pay the fixed charges on their outstanding debts will be able by an expeditious and inexpensive process to work out compromises with their creditors and to obtain new working capital. The guiding principle of this legislation will be to secure for the farmer a simplified debt structure reduced in size to a point where the carrying charges will be within the capacity of the farm enterprise to pay.

That is all that is necessary to quote for my purpose. It sounds very good and I congratulate the government on their intention to introduce legislation along this much-needed line. I trust it will be as far-reaching in its powers as the marketing legislation now before the house. It is generally recognized that the farmers cannot pay their debt in full. If we are going to keep them on the land and give them hope, some measure must be introduced to meet their conditions.

In his lengthy criticism of the budget, the financial critic of the official opposition, the hon. member for Shelburne-Yarmouth (Mr. Ralston) certainly offered no hope to the people of Canada, should his party come into office, that they would leave the beaten track. I wish to congratulate him on the able manner in which he handled the subject, yet in my opinion his criticism was well described by an editorial in the Ottawa Citizen as negative criticism. The hon. member for Shelburne-Yarmouth ridiculed the Minister of Finance for not having left the beaten track, and he then quoted from a speech delivered by the Minister of Trade and Commerce (Mr. Stevens) in a previous debate, as follows:

In this country, as in other countries, people have been staggering along under conditions that have been difficult, and have been clamouring for something out of the ordinary. Peoples all over the world have been very restive with governments because governments have been slow to depart from the beaten track.

May I pause here to offer my congratulations to the Minister of Trade and Commerce for having made that statement. It would appear that he at least has a grasp of present day conditions. Let me quote again the last part of this statement:

Peoples all over the world have been very restive with governments because governments have been slow to depart from the beatn track.

What has been the result of governments being slow to depart from the beaten track?

Look over the world to-day and what will you find? Democratic institutions which have been built up through the centuries are falling like tenpins, and why? In my opinion the Minister of Trade and Commerce placed his finger upon the very crux of the situation. People all over the world are not destroying democratic institutions just for the sake of setting up another form of government; they are doing it because these institutions have refused to leave the old beaten track and keep pace with the forward march pointed out by science and education. The hon. member for Shelburne-Yarmouth took about fifteen minutes of his two hour speech to criticize the budget because there were no signs that it was leaving the beaten track. I agree with him in that criticism, but he harped so long upon that point that I think the house was led to believe that the Liberal party was going to offer something which would show that they were leaving the beaten track which has brought us to poverty and hardship and were going to blaze a new trail into the promised land. That would not have required much effort. The road would not need to be very long, because plenty is at our doorstep. However, apparently the wraiths and mists of Liberal principles beclouded the vision of the hon. member, because after labouring for over two hours he found that the beaten track was worn so deep that he was not only unable to get out of it but apparently was unable to see over the sides what was going on about him; and we heard him shout from the depths the usual historic Liberal amendment. We in this corner of the house were disappointed in that amendment. Another hope was shattered. It was again the old story of the mountain labouring and bringing forth a mouse. The people of Canada now know what the Liberal party has to offer. Here is their amendment:

> This house regrets that the proposals of the Minister of Finance give no indication of the intention of the government to abandon the policies of economic nationalism which have proved so disastrous to Canada's trade.

Not very much in that. Just regrets. It continues:

> It is of the opinion that the immediate substitution therefor of policies which will promote export trade throughout the world is essential to any permanent improvement of conditions in Canada, and to the successful application of other policies respecting credit and employment resigned to effect this end.

The first part of the amendment is a criticism of government policy which is not unexpected from the opposition. The second part refers to some mysterious policies which are not disclosed. What are those policies? Time and again I have heard hon. members of the Liberal party state that what was needed to get back to normal was the Liberal policies of 1930. If my memory serves me aright, part of those policies referred to countervailing duties; in other words, a brick for brick policy—you put your tariff up and we will put ours up just as high; and every hon. member of the Liberal party voted for that policy. The Liberal tariff policy was in effect for nine years prior to 1930, but what happened? We lost completely our cattle market in the United States, and if any hon. member will look up Hansard of February 15, starting at page 542, he will see what the rest of the world was doing during those years. The rules of the house prevent me from quoting from any previous debate of this session but I would advise hon. gentlemen to look up Hansard and study those facts, which cannot very well be disputed. It will be found that while most of our exports enjoyed almost free entry into world markets in 1922, by 1929 and the first part of 1930 almost prohibitive tariffs were imposed against us. I do not blame the Liberal party or its policies for what happened in the rest of the world, but I would point out what took place elsewhere when that party was in office. And I would ask them, if that happened under the old Liberal policy, what new policies do they propose to put into effect in order to induce the rest of the world to change its course? If they have any new policies, the people of the country should know what they are. During those years when they were in power Great Britain was still on a free trade basis, but free trade did not save Great Britain from the effects of the terrible depression. In fact, I think I am right in saying that unemployment was never so widespread there as during that period. Here in cold print is what we may expect, as set out in the last part of the amendment:

> It is of the opinion that the immediate substitution therefor of policies which will promote export trade throughout the world is essential to any permanent improvement of conditions in Canada, and to the successful application of other policies respecting credit and employment designed to effect this end.

What does it mean? It means that until the Liberal party can change world tariffs and thus promote world trade it will be impossible to have improvement in Canada, or to apply successfully other policies respecting credit and employment. Is not that a rather hopeless picture? Unless the rest of the

world trades with us we are all to sit here and starve. Well, Mr. Speaker, I am not prepared to subscribe to any such doctrine. Of course, it would be an ideal situation if we had a world brotherhood, but unfortunately we have not and so we must govern ourselves accordingly. In my opinion the quickest way to bring about world brotherhood is for Canada, for example, to assume national sovereignity over our medium of exchange and to detach herself from the control and domination of a world financial dictatorship, thus giving a lead to the rest of the world, showing them how to free themselves from the most insidious form of slavery that has ever existed in the history of the human race.

I wish to quote a few lines from a sermon delivered by the Very Rev. C. E. Riley, B.A., D.D., of Hamilton, Dean of Niagara. Speaking at the annual service of St. George's Society this year he said in part:

"I'm no economist, and God forbid that I should propose nonsense from this pulpit in the way of theories. Remember that you are but applying the palliative, but the cure is far more important. As members of an intelligent society, it is your duty to investigate the causes, to find something rotten in the state of Denmark. To find the dragon.

Why is there this poverty in the midst of plenty? Find the solution and solve it with your ballot.

Tell me why in a country, in a world of plenty, there is any need of starvation.

Is it honest to destroy goods? Is it right? Why?"

"It's a damned blasphemy and I use these words advisedly," stated Very Rev. C. E. Riley, B.A., D.D., Dean of Niagara, in a trenchant attack on the present system of distribution before a large congregation at the 92nd annual service of St. George's Society of Hamilton, at Christ Church Cathedral last night. The dean electrified a large congregation by his address and warned that if constitutional reforms were not put into effect, other means would be used.

Such a statement, coming from a high dignitary of the Anglican church, cannot be brushed aside with contempt, and therefore I appeal to hon. gentlemen to realize that we are sitting on a volcano that may erupt at any moment. We have already seen democratic institutions going down in many countries, and I make this prediction, that unless those that remain show by their action that they are capable of accommodating themselves to the new conditions, then it is only a matter of time until they all disappear. In other words, they must find the dragon and conquer him, and in my humble opinion that dragon is money power.

Let me say with all the emphasis at my command that I am opposed to high tariffs; but just as emphatically I say that in my opinion these barriers cannot be removed until we first remove the cause. Listen to what Lloyd George, a staunch old Liberal, a real Liberal, has to say. Lloyd George is a Liberal who is living to-day, dealing with things as they are and not with conditions that existed in the dim and distant past. Speaking in a radio broadcast in Great Britain he said in part:

I do not propose to enter into the respective merits of free trade and protection. I am bound to accept the fact that we have become a highly protected country and that there is no prospect in the immediate future of persuading the nation to revert to free trade. I base my survey and suggestions on that assumption. These barriers undoubtedly aggravate some of the worst evils from which we are now suffering, but the causes of our economic troubles lie deeper. Whether under tariffs or under free trade plenty has produced universal poverty. The essential paradox of the world's economic trouble, including our own, is that under our existing economic system the exuberance of the earth's gifts has resulted in creating a famine in millions of households. The economic system under which we work has been shown up by the world crisis to be a pretentious fraud which has robbed humanity of its fair share of the good things which science has produced in abundance for the benefit of mankind.

I appeal to the Liberal party to wake up and realize that old shibboleths and party slogans will no longer satisfy a hungry and suffering humanity. The hopelessness of securing a world agreement was well exemplified at the world conference held in London last year. Repeated efforts were made to reach agreement, but without avail, and finally the representatives of the various nations were firmly convinced that the only thing left to do was to go home and put their own houses in order. Let us face the facts. If we cannot agree any better among ourselves than we exemplify in this house alone, how can we expect a conglomeration of peoples of the world, of different races and speaking various tongues, many of them filled with hatred and jealousies engendered through centuries of time, to meet and work out a satisfactory agreement?

The United Farmers of Alberta have been advocating for some time a system of planned economy. The hon. member for Red Deer (Mr. Speakman) on two occasions introduced in this house resolutions proposing that a council of social and economic research be set up to study such a plan. His resolution was finally adopted by the house. The very first plank of the Cooperative Commonwealth Federation platform deals with planning and reads:

The establishment of a planned, socialized, economic order to make possible the most

efficient development of the national resources and the most equitable distribution of the national income.

If that plank of the platform is put into effect it means that a plan will be evolved for the development of the national resources and the equitable distribution of the national income. When such a plan is set up, will the nations of the world be allowed to dump their goods into this country and upset the plan? There would be little use in setting up a plan if it were to be knocked down so easily. As a matter of fact it is proposed, by even more effective methods than tariffs, namely, import and export boards and licences to regulate trade, and so we have a form of economic nationalism.

Let me quote from A. R. Orage, editor of the New English Weekly, his definition of economic nationalism. He said in part:

> My own conception of economic nationalism can be defined as the coordination of the economic activities of a politically sovereign territory by a money system valid throughout the defined area, and designed for one purpose alone; that purpose being the increase of the prosperity of every member of the community, up to the point of utilizing, if required, the entire collective ability of the community to deliver goods and services.

That does not sound so terrible. Economic nationalism, as I understand it, will not prevent world trade but it first recognizes that the most important market is the home one and that our exports should consist only of the overspill after the home market has been fully supplied. Think what a market that would be if the people could only satisfy their wants from the abundance which surrounds them! What we want to do away with is the type of economic internationalism which we have to-day, which means the control of domestic economies by international money changers. This is the dragon we must destroy, and we must substitute for it an economic nationalism whereby the very lifeblood of the nation, finance, will be under the control of the nation for the welfare of the people. The mad rush for export markets is one of the greatest causes leading to war. Each country is short of home purchasing power, and so each one tries its best to get some from the other one. In reality, if the people of one country cannot buy their own goods which they have in abundance, how can they hope to buy from anyone else? If we had a proper money system which would enable the peoples of the world to make use of the abundance which surrounds them, world trade would then consist largely of countries exchanging fairly with one another their surpluses of domestic production for the surpluses of other countries which produce those things which the former lack. We see the folly of present world trade, in Japan shipping textiles right into the British Isles, the mother of the textile trade. It is this fierce competition among the nations of the world to secure the others' purchasing power, without which to-day people cannot live, that sooner or later leads to war.

The Minister of Trade and Commerce in his very able speech pointed out the great changes which have been taking place in the past fifteen years. I would say that those changes have been in a developing process over many years, but they have become more noticeable in the past fifteen. Most of us can remember when a man learned a trade and then by his individual initiative produced something by his own efforts, thus making a living. That, as we all know, has largely changed; to-day a man makes little by his own efforts but produces mostly by association with his fellow man. A good example of this is the motor car industry. If you will take a trip through one of our large motor car factories you will see there thousands of men at work, each doing a special bit of work toward making a car as it passes along a continuously moving platform. While each one contributes his bit in making the car, not one of them is competent to make a car by himself, and so it is with most of our production to-day. The same thing is taking place on the farm. Under our power machine age man has become simply a cog in the wheel and every cog has to play its part to turn out the finished article. But science is developing that wheel to such an extent that it is getting along with fewer and fewer cogs and so we have more and more unemployment. By this cooperative effort between man and the power machine we have tremendously increased our productive capacity and have created an enormous pool of wealth but the trouble is that all are not able to draw from that pool equal to the amount they have contributed.

The pool is now so full it is running over and wasting. An example of this is the destruction of various commodities, and instead of using our brains and allowing this wealth to be used for what it was created, we are now planning every known device, for instance, by curtailment of production, to prevent goods from going into the pool. When amidst so much suffering of the people we see on the one hand destruction of commodities and the steps which are being taken to curtail production, and when on the other we are told that our only salvation is to work harder, which means greater production, and then to tighten our belts and be more thrifty, which

means less consumption, can one very much blame the people if they are losing faith in democratic institutions?

The amendment which was moved from this corner of the house is well worthy of consideration. It offers a way out; it is a departure from the beaten track, and I regret very much that it was declared out of order. But even that does not prevent it from expressing our viewpoint and I am convinced that the suggestions contained in that amendment will be widely endorsed by the thinking people of Canada.

I submit, Mr. Speaker, if we are to save civilization we must face the future with an entirely new outlook. Just as we discarded the ox cart for the motor car, so we must discard an outworn, privately owned money system, based on a condition of scarcity, for a national control of credit based on our ability to produce and the needs of the people. Major Douglas and Mr. McGeer gave members of the banking committee somthing to think about by the evidence they gave before it recently and also by their public utterances, and while these two men differ somewhat in detail they are agreed on many points. Mr. McGeer showed commendable breadth of mind, when asked whether he understood Major Douglas' proposals, in saying that he understood them but that he saw difficulty in putting them into statutory form. He finished by saying:

> Mind you, I do not want it to be taken from that, that I conclude that it cannot be done, because I have learned a long time ago that merely because I do not see a thing, that is not proof that it is not there.

Such an attitude is at least encouraging, but I am sorry to say that it appears to be in direct conflict with that evidenced by many members of this house. A lesson might well be taken from Japan, which has shown what may be accomplished when a people are prepared to face issues and to break with old traditions. When Japan decided to move forward not many years ago—that is, not many in the life of a nation—she sent her experts on a tour of the world to learn what was being done. These experts found that Great Britain had the best navy, and so they decided to copy that, they found that France had the best and most efficient land army and so they decided to copy that, and so forth. Hon. members will agree that the advance made by the Japanese nation within a very short period from the inferior position which they occupied at that time to the rank of one of the first nations, is reckoned as one of the marvels of the world. Later on, when the Japanese heard about the Douglas proposals they sent their experts to London to study them. They then invited Major Douglas to Japan, and instead of trying to belittle and to discredit his proposals, they sought to obtain all the information they could get, with the result that they have adopted at least part of his plan in using the national credit to subsidize the export of goods. And they have done this to such good purpose that last year they increased their export trade by fifty-three per cent.

While Major Douglas and Mr. McGeer both agree on national control and issue of credit, Mr. McGeer would have it distributed to the people as it is at present, that is through the old channels of production. Major Douglas differs; he points out that the amount of money so distributed through salaries, wages and dividends in a given period is never sufficient to purchase the total production, the result being our present situation. I was pleased to note that the Ottawa Journal, which always speaks with such assurance, endorses what Major Douglas has to say on this point. I quote in part from an editorial of April 2, 1934, entitled The Upturn in Wages, as follows:

> The old cure for deflation was more deflation. People strangely had the notion that the way to cure a condition under which people weren't buying goods—a depression—was to make it harder for them to buy goods. To cut their wages.
>
> Now there are conditions and cases where wage cuts are inescapable. Normally, however, as a general rule, wage cuts retard recovery, cannot do anything else. It is hard enough to work out a scheme of economics under which wages and salaries will always permit people to buy the whole of industrial and agricultural production; because the total of wages and salaries can never equal the total value of production. But what must be thought of the notion—all too common—that there can be anything like consumption of the total of production under low wages? The thing doesn't make sense.

So it is not only a question of raising wages, as the Journal points out. In my opinion President Roosevelt apparently has not yet grasped this point. He is issuing almost unlimited quantities of credit, but is using the old channels, overlooking the fact that until purchasing power is placed in the hands of the people no real prosperity is possible. In a speech recently made over the radio President Roosevelt stated that eighty-five per cent of the business of the United States is done by people receiving salaries of $2,000 a year or less. I think it is safe to say that one of our greatest difficulties to-day is due to the fact that a great majority of the people, who by

their cooperative efforts have created such a vast pool of wealth that it is now running over, never have received sufficient purchasing power to enable them to buy back the goods they have produced. Major Douglas would remedy this by the issuance of social credit from the national pool direct to the people in order to make up this difference, and the evils of inflation would be overcome by the operation of the just price. Of course this would be a departure from the beaten track, but so is the marketing bill now before the house. Surely with the evils of the present system so painfully apparent it is not asking too much to say that we should give serious consideration to such proposals. At least that would show that we were doing our best to find a much needed solution of our problems.

Mr. F. W. PERRAS (Wright): Mr. Speaker, I should like first to extend my sympathy to hon. gentlemen opposite on the death of Mr. Lennox, whose sudden demise was very lamentable, as well as to the Minister of Finance (Mr. Rhodes) on the sudden death of his wife.

The budget that was presented to this house on April 18, Mr. Speaker, is the fourth and perhaps the last of the present administration. Like those which preceded it, this budget contains a story of sadness, and seems to say, "He did the best he could with a bad job." The election of 1930 is not so distant that we cannot remember the attitude of the then opposition with respect to the administration then in power. The oncoming crisis was not at that time a world crisis, according to hon. gentlemen opposite; crises were not possible under good government, they said. "Put us into power and there will be no crisis," they said. Well, those who followed their advice and voted in that way have deeply regretted their action in the last four years. The crisis hit Canada hard and is still hitting it. The old Canadian ship of state is riding a rough sea; its crew are none too confident of weathering the storm and the captain is none too sure of reaching a certain port.

I listened with great interest to the budget speech of the Minister of Finance; I have read and re-read that speech, and it seems like going over the inventory of a bankrupt concern which, under good management, once was a thriving industry. The administration of to-day, in common with other Conservative administrations, has not been very fortunate in the way of raising revenues but has proved very successful in raising taxes. So, as the hon. member for Shelburne-Yarmouth (Mr. Ralston) pointed out, this year all taxes have been maintained with the exception of the sugar tax, which has been cut in half. We need not be grateful for the fact that no new taxes have been imposed, because it is not due to generosity. If we have no new taxes it is because we are no longer taxable, or rather because we could be taxed but the tax could not be collected, since we are unable to pay it. During the last fiscal year we collected less taxes than were collected in the previous year, but let no one be led into error by that fact. In 1929-30 we collected in taxes $378,551,000; in 1930-31 that dropped to $296,276,000, and in 1932-33 it dropped still further to $275,054,000. In connection with customs and excise duties and war tax revenues it is interesting to note the fluctuations of the sales tax, which in 1929-30 produced roughly $44,000,000. In 1930-31 we reduced that to $20,000,000, but when the present administration came into office the sales tax was increased to six per cent, so that in 1931-32 it produced about $41,000,000 and in 1932-33 about $56,000,000. Under the Liberal regime we reduced the sales tax and produced surpluses, because our international and external trade was flourishing for the reason that our fiscal policies were directed towards free and expanding trade.

I should like to quote some figures to indicate how our debt has continually increased since this government came into office. In round figures our debt has increased as follows:

1928	$2,677,000,000
1929	2,647,000,000
1930	2,544,000,000
1931	2,610,000,000
1932	2,831,000,000
1933	2,966,000,000

When the present administration took office they scrambled their fiscal policy and for that reason had to pile on the sales tax. For the same reason our revenues have gone down. Of course when we say that, immediately the objection is thrown out that the country is facing a general crisis. Let us admit that. But we were told that no crisis can exist under good government. We said there was a coming crisis in 1929 and 1930. We were preparing for it; we were trying to enlarge our markets, we were endeavouring to expand trade, but we were told it was foolish.

Well, in 1933, Great Britain imported 1,300,000 hundredweight less wheat from Canada than in 1932, but got 2,500,000 hundredweight more from Russia than she did the year before, 4,000,000 hundredweight more from the Argentine, and 5,000,000 hundredweight more from Australia. In 1933 Great Britain bought 1,200,000 hundredweight more barley from Russia than in 1932; 3,000,000 hundredweight

more from Roumania; 2,500,000 hundredweight more from the United States, but she bought 2,000,000 hundredweight less from Canada. In 1933 Great Britain bought 600,000 hundredweight more oats from Russia than she did in the year before, 220,000 hundredweight more from Germany, but a million hundredweight less from Canada. She bought 324,000 hundredweight more of bacon from Canada than she did in the year before. So that taken all in all, our trade may be said to be on the hog.

Let me now place on Hansard some figures showing our revenue. The following table will serve to illustrate the situation:

1929-30	$446,000,000
1930-31	356,000,000
1931-32	333,000,000
1932-33	311,000,000

These figures indicate a steady decrease year by year instead of the benefits which have been so loudly proclaimed, and which it was said we would derive from blasting our way into the markets of the world.

I can readily imagine the feelings of the Minister of Finance when at page 2283 of Hansard he had to admit that the debt had increased, as I have already said, by some $135,000,000. And I can quite readily understand his situation when he had to admit, as it is reported on the same page of Hansard, that the deficit on ordinary account would be $24,000,000. Again I can imagine his state of mind when, as appears at page 2275 of Hansard, he stated that the failure to reach the estimated revenue by some $33,000,000 has naturally been disappointing. Indeed, it is sad, but we have been accustomed to very little else. The British budget is being called the sunshine budget. We have had Robb and Dunning budgets which indicated prosperity. Then, we have had Rhodes budgets, but none of these roads has yet led us out of misery.

The situation becomes more distressing, and we find that we are still voting in blank millions upon millions for relief purposes. We had been told that unemployment would be stopped at once. It is still rampant, and the sums we spend are appalling. I do not think that the Canadian people really know the amounts being spent for relief, and they do not realize that those sums must all come from them. We are sort of robbing Peter to pay Paul, but this cannot be carried on much longer. Some proportionate return should result from the money spent on relief. We cannot continue spending at that rate. We are heaping millions upon millions of dollars upon the large industrial centres and other portions of western Canada, but what has been done to help agriculturists in other parts of Canada out of their troubles? The minister said that the expenditures made since 1930 by the dominion for unemployment relief have reached a total of $115,500,000, to which may be added the cost of the wheat bonus in 1931, amounting to $12,700,000, and $2,400,000 advanced for employment in railway shops, making a total of $130,600,000, The expenditure for relief in the year 1933-34 is estimated at $36,000,000. These figures are staggering when we realize the very little that is being done for the eastern farmers.

It is my privilege to represent in this honourable house a constituency which is largely rural. In the few urban sections of that county relief has been given out, but in other sections of it conditions are deplorable. Farm products have been at bottom prices for the last two years, and there are no immediate signs of betterment. Many farms have been let go. The index price of farm products in 1930 averaged 82·3. In December of this year it was 53·3, indicating a fall of 46 per cent.

Let us now consider the pulp industry. In 1932 we produced $57,943,419 worth less pulp and $71,751,802 worth less paper products than we produced in 1930. In my constituency that was a fearful blow to a large percentage of the population. As I have said, there are some centres in which the whole population is engaged in farming, but there are many villages and rural communities in my constituency where people are working either as daily manual labourers or as jobbers. These people, and they are quite numerous, depended for their existence for years upon the wood and pulp industry, and for the last three years most of them have been on the verge of starvation.

These trade agreements, and the new market openings which were promised, did not help us much. In 1933 we exported of paper and manufactures of paper $66,134,111 worth less than in 1930, and $15,705,342 less of pulp; $5,130,401 less of cheese, $416,369 less of butter, $18,523,737 less of wheat flour, $63,373,340 less of wheat, $5,504,758 less of potatoes, $672,534 less of dressed beef; and I could quote many other similar figures.

Let me point out that the price of bacon and hams in 1930 was $24 per hundredweight, and only $11 in 1933. The price of butter was 30 cents per pound in 1930 and only 17 cents in 1933.

Now I will summarize our total trade:

Year—	Total imports and exports
1929	$2,654,575,166
1930	2,600,000,000
1933	887,000,000

That shows a decrease in 1933 as compared with 1930 of $1,800,000,000 odd.

Here are some figures of our trade with the United Kingdom:

Year—	Total imports and exports
1929	$631,000,000
1933	271,000,000

That shows a decrease in 1933 as compared with 1929 of $360,000,000. Here are the figures for our trade with the United States:

Year—	Total imports and exports
1929	$1,389,000,000
1930	1,384,000,000
1933	381,000,000

Our total trade with Australia was as follows:

Year—	Total trade
1929	$22,000,000
1930	20,000,000
1933	13,000,000

That shows a decrease in 1933 as compared with 1930 of $7,000,000. Here are the figures of our trade with Africa:

Year—	Total trade
1930	$17,000,000
1933	10,000,000

That shows a decrease of $7,000,000 in 1933 as compared with 1930. So after all, Mr. Speaker, the picture painted by the Minister of Finance of Canada's present financial position is none too engaging and none too consoling after nearly four years of the present regime. Those who have been responsible for the placing of Canada's destinies in such hands must surely by this time realize the error of their ways and await with keen anticipation the time for a readjustment of these matters. We all recognize the very special conditions of the times, but we cannot forgive the manner in which power was obtained and the manner in which it was used. The government is to be blamed not so much for what is in the budget as for what is not in it. It is to be blamed for the results brought about by the working out of its policies. It is to be blamed for the bad news the budget contains, but it is equally to be blamed, and indeed much more seriously, for the lack of policies which it exposes. The government now knows the evils from which Canada suffers. It has had time properly to diagnose its ills, and it has surely had time by now to formulate policies and remedies to cure those ills. We have been eager to co-operate fairly in matters of relief and in other measures. It is the privilege of the government to accept or refuse such cooperation, but they did not accept it. The results are not to their advantage. Indeed the Canadian farmer will need much courage and fortitude if he is to survive these times under present conditions. Prosperity may be just around the corner, but I rather believe in the saying that it is a long road that has no turning.

[Mr. Perras.]

On motion of Mr. Bowman the debate was adjourned.

On motion of Mr. Manion the house adjourned at 10.45 p.m., until 4 p.m. Tuesday.

Tuesday, May 8, 1934

The house met at four o'clock.

TRADE WITH JAPAN

STATEMENT MADE BY RIGHT HON. WALTER RUNCIMAN IN BRITISH HOUSE OF COMMONS

On the orders of the day:

Right Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, before the orders of the day are proceeded with I desire to make a short statement arising out of a question asked yesterday by the right hon. leader of the opposition (Mr. Mackenzie King). At that time he directed attention to certain statements appearing in the press that had been attributed to British public men, and I was then able to assure him that there was no foundation for those statements, so far as the government of Canada was concerned. Yesterday the Right Hon. Walter Runciman, President of the Board of Trade, made a statement in the British House of Commons, and in view of the importance of the matter and the desirability of there being no misunderstanding in such a matter I think it desirable at this time to read to the house his statement. Mr. Runciman said:

The house will remember when I last made a statement on this subject on 15th March, I informed them, on the failure of representatives of the textile industries of Japan and of this country to come to an agreement, the whole position was under review between the two governments.

When I saw the Japanese ambassador on the 16th March, I handed him a memorandum inquiring whether, in the circumstances, the Japanese government had any proposals to put forward for dealing with the problem. On the 31st March, I received a reply in which the Japanese government expressed their willingness to consider any further proposals which His Majesty's government in the United Kingdom might make, but made no proposals of their own. The government have considered the whole problem again, very carefully in the light of this reply. It is already a year since His Majesty's government drew the attention of the Japanese government to the serious position arising from Japanese competition. It is

of course, of the utmost importance that every effort should be made to deal with a problem of this magnitude in the most appropriate way. Unfortunately there appeared to be nothing in the Japanese government's note of 31st March, to suggest that an early agreement on this subject was to be expected and, therefore, the government still holds the view that the problem which faces us is one which can only be settled satisfactorily by cooperation in some form between Japan and ourselves. His Majesty's government cannot allow a situation to develop in which negotiations are protracted indefinitely without any immediate prospect of success and during this time the Japanese—quite naturally from their point of view—are continuously expanding their exports in our markets to the detriment of Lancashire while our hands are tied. Accordingly His Majesty's government have come to the conclusion that they would not be justified any longer in postponing, in the hope of an agreement, such action as is open to them with a view to safeguarding the trade of this country.

I therefore informed the Japanese ambassador on Thursday last that in the circumstances His Majesty's government were obliged to resume their liberty to take such action as they deemed necessary to safeguard our commercial interests. I assured him—and I am confident that the house will join me in this—that such steps as it was proposed to take would be taken in no unfriendly spirit.

As regards the Anglo-Japanese treaty, I am satisfied that His Majesty's government can, without denouncing it, take proper and sufficient measures to protect commercial interests of this country, and in these circumstances I see no reason to terminate a treaty which has regulated the commercial relations between the two countries for over twenty years.

As far as the United Kingdom market is concerned the government do not feel they can any longer suspend the review of silk duties by the import duties advisory committee, and my right hon. friend the Chancellor of the Exchequer has asked the committee to complete its report on these duties as quickly as possible.

In the case of the colonial markets my right hon. friend the Secretary of State for the Colonies has been in consultation with the colonial governors. The governments of the colonies and the protectorates for which such action would be appropriate will be asked to introduce import quotas which, except in the case of West Africa, would apply to all foreign imports of cotton and rayon goods. With a view to reinstating this country in the position in those markets which she held before the present abnormal period, it is intended that the basis for apportioning these quotas as between foreign countries shall be as far as possible the average of their imports in the years 1927-1931. It is further proposed that necessary legislation in colonial territories should be enacted with the least possible delay, and it should be so framed that the actual quota regulations will be reckoned as commencing retrospectively from to-day, 7th May, so that no attempt at forestalling will be allowed to frustrate the policies and intentions of measures under contemplation.

In the most important of West African colonies, as the house is aware, there are treaty obligations which preclude differentiation in favour of our own goods. It was for this reason that on the 16th May of last year notice was given to release West African colonies from their obligations under the Anglo-Japanese treaty, and action there will be limited to Japanese goods.

I have not attempted to deal in this statement with the position of any goods except cotton and rayon textiles. The government are aware that Japanese competition is not limited to these goods, and are considering in the case of each of the other industries involved what tariff action in the colonial market is called for. As regards the home market I have no reason to suppose that the matter cannot be dealt with by means of ordinary procedure of Import Duties Act.

While His Majesty's government cannot any longer refrain from taking steps to safeguard our trade interests, we shall, of course, be ready at any time to give most careful consideration to any proposal which the Japanese government may desire to put forward towards a solution by mutual agreement of this difficult problem. A solution of this kind ought to be possible where governments of the two countries are anxious to agree.

That is the conclusion of the statement of the President of the Board of Trade, and I avail myself of this opportunity to thank the right hon. leader of the opposition for bringing the matter to the attention of the chamber.

Mr. MACKENZIE KING: I think the Prime Minister has acted very wisely in giving to the house the statement that he has in order that this matter may be put in its true position. I say that for the further reason that this morning's paper contains other dispatches that are misleading. I have before me, the Ottawa Citizen of this morning, May 8, and I will quote from an article headed "Likely to urge dominions take similar action:"

(Canadian and Associated Press Cables)

London, May 7.—The British government moved to-day to restrict Japanese trade in those parts of the empire over which it has direct control and to promote "intensification" of commerce within the British commonwealth.

There is nothing in the statement made in the British house, I must say, to justify this particular dispatch, and I think it is only creating embarrassment for governments of different parts of the empire that misleading dispatches of this kind should be sent abroad.

RADIO COMMISSION EXPENSES

On the orders of the day:

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): I should like to ask the Prime Minister just how the house may get information with respect to the expenses of the radio broadcasting commission. The hon. member for Skeena (Mr. Hanson) asked a question about the expenses of the

commission on Monday, April 9, and the Prime Minister replied that as the radio committee was sitting, it afforded every possible opportunity to secure the information. I am advised that the member has tried through the agency of the committee to get the information, and has been told that he can not obtain it from that source. Surely the house is entitled to some statement of the expenses of the commission under main headings. I do not mean anything in the nature of an inquisition, as the Prime Minister suggested might be possible, but rather a statement of expenses under general headings. I think we ought to be able to obtain that in short order.

Right Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, the radio commission occupies a somewhat analogous position to that of the Board of Railway Commissioners for Canada. Parliament makes a grant to the railway commission, and also makes a grant to the radio commission, but in the case of the latter it is, of course, money which has been collected for the purposes for which the commission was to use it. I certainly believed that it was not desirable in this house to discuss at length the question as to whether or not ten dollars had been properly used here, or whether the same ten dollars could not have been better used somewhere else. I think that would not be fair to the commission. But I quite agree with what the right hon. gentleman has said that parliament has a right to know of these expenses, and when I answered the hon. member for Skeena as I did the other day I believed that he would be able to secure that information without question from the commission. I shall make it my business to speak to the chairman to-day, and if the hon. member for Skeena will suggest to one of the members of his own party the desirability of asking his question when the committee next meets or if he give notice in advance, I shall certainly use such machinery as I can make available, with my limited powers over the commission, for the purpose of securing the information which the hon. gentleman seeks, namely, the expenses grouped under main headings, such as the right hon. gentleman has mentioned. If, of course, that method fails, I shall have recourse to peace, order and good government.

MARKETING ACT

ORGANIZATION TO IMPROVE METHODS AND PRACTICES IN MARKETING NATURAL PRODUCTS

The house resumed from Friday, May 4, consideration in committee of Bill No. 51,

[Mr. Mackenzie King.]

to improve the methods and practices of marketing of natural products in Canada and in export trade, and to make further provisions in connection therewith—Mr. Weir (Melfort)—Mr. Sullivan in the chair.

On section 1—Short title.

Mr. POULIOT: If one looks at the figures which were put on Hansard of March 26, 1934, at pages 1811 and 1812, one sees that the home consumption of pork meat in the year 1932-33 showed an increase over 1930-31 of 1,967,747 hundredweight. Multiplying that number by 13, as the price of pork meat was $13 less in 1933 as compared with 1930, we find that the farmer has suffered a loss in the sale of that commodity of $25,580,712. But to be fair one must deduct from that figure the sum of $4,788,666 representing the surplus of exports in 1933 over 1930, making the net loss suffered by the farmer in the sale of that commodity $20,792,046.

With regard to butter, home consumption in the year 1932-33 showed an increase over 1930-31 of 25,698,173 pounds, or expressing it in hundredweights, 256,981 hundredweight. The average price of butter per pound in 1930 was 30 cents as compared with 17 cents in 1933. Multiplying the difference in the price by the increase in the number of pounds consumed, we find that the farmer suffered a loss in the sale of that butter of $3,340,762, less $416,369, representing the surplus of exports in 1933 over 1930. But as the amount of exports represents a surplus it should be deducted from the $3,340,762, and thus we arrive at a net loss of $2,924,393 in the sale of that butter making allowance for the difference in price between 1933 and 1930.

A very interesting speech was delivered in Montreal last week by the brilliant gentleman who is Minister of Trade and Commerce (Mr. Stevens). I quote from a report in the Montreal Gazette as follows:

> One aspect of the problem was the difficulty of regulating production and prices, particularly in view of the present situation, which had been described as "plenty amid poverty." Canada consumed 99 per cent of its own butter, 98 per cent of its beef, 90 per cent of its hog products, and 100 per cent of its eggs. By control of prices he was not suggesting government control—he would rather see the government leave prices alone.
>
> "But," he declared, "things can't go on in this country with 50 per cent of the population on the farms and pay them 2½ cents a pound for beef, 6 cents a dozen for eggs, 10 or 12 cents a pound for butter. Merchandizers in Canada control these prices, and it is up to them to do it in a way that 50 per cent of the population will not continue in present conditions—or some other factor may have to be introduced."

One thing which strikes us is the large decrease which has taken place in home consumption. Since the beginning of this session and since the beginning of this parliament the speeches of nearly all hon. members have been in connection with external trade. This is almost wholly true with the exception of the few statistics which have been put on record by the member for Temiscouata. These concern internal trade and show to what extent there has been a decrease in the home consumption of farm products. I have before me official statistics which I obtained from the bureau of statistics year book as well as some contained in a letter I received from the Minister of Agriculture (Mr. Weir). These figures show to what extent there has been a decrease in the home consumption of farm products. This decrease has taken place in the face of an increase in the population when normally there should be an increase in the consumption of farm products. The quantities of decreases appear on pages 1811 and 1812 of Hansard of March 26, and the comparisons are between 1932-33 and 1930-31. I should like to give some figures showing the decrease in the home consumption of twelve farm products. I shall give first the quantity of decrease and then the figured value based on prices prevailing in 1933 as compared with those in 1930. These figures concern not external trade, international trade or Ottawa agreements, they deal with the most vital matter of our home trade, our interprovincial trade, our strictly Canadian trade within the boundaries of the country. The figures are:

	Quantity of decrease	Figured value 1930	Figured value 1933
Apples (bbls.)	1,209,934	$ 3,920,186	$ 2,601,358
Honey (lbs.)	9,535,689	858,212	953,568
Eggs (doz.)	45,959,763	12,409,136	5,974,769
Dressed beef (cwt.)	891,619	13,978,438	5,198,138
Concentrated milk (cwt.)	489,908	5,731,923	3,674,310
Cheese (cwt.)	75,483	1,243,959	822,009
Potatoes (cwt.)	2,284,769	1,290,893	964,172
Peas (bushels)	973,616	817,837	473,177
Oats (bushels)	4,116,422	2,058,211	1,543,658
Barley (bushels)	30,140,741	10,699,963	11,604,185
Wheat (bushels)	55,146,394	24,760,730	15,165,258
Wheat flour (bbls.)	1,689,000	8,428,110	5,759,490
		$86,197,598	$34,333,884
		34,333,884	
		$51,863,714	

The total 1932-33 decrease in home consumption is $86,197,598, representing the amount of the loss which the farmers have sustained, if we take into consideration the price that prevailed in 1930. If we take the price that prevailed in 1933 we have a loss of $34,333,884, and the difference between the prices of 1930 and 1933 is $51,863,714.

I will not insist on that point but I would call the attention of the minister to the serious fact that there has been a fabulous decrease in the home consumption of apples, honey, eggs, dressed beef, concentrated milk, cheese, potatoes, peas, oats, barley, wheat and wheat flour, and I urge that something be done to find out the reason for this decrease and to see what is the best way of remedying the situation. I have two or three other questions which I am going to ask the minister afterwards, but for the moment there are two which I should like him to answer. This bill is intended "to improve the methods and practices of marketing of natural products in Canada and in export trade, and to make further provision in connection therewith." The products I have mentioned are natural products and a decrease in consumption has taken place in Canada. In view of this I would ask the minister these two questions. First, can we still say that we have our local market so far as those commodities are concerned in view of the enormous decrease in their consumption? Secondly, for what reason was there such a decrease, in one year, 1932-33, and what is the proper remedy to be applied to such a situation?

Mr. WEIR (Melfort): I wish first to put on record some information asked for by the hon. member for Ontario (Mr. Moore) at the conclusion of the discussion last week when I was compelled to move that the committee rise and report progress. The hon. member dwelt at great length on the various plans that had been tried for controlled marketing and for the marketing of agricultural products generally. I endeavoured to point out on that occasion that the examples he was citing did not relate to conditions similar to those in Canada, nor were the problems which

we were attempting to solve similar to the problems presented in the examples he mentioned. I pointed out that the methods set out in the different plans he mentioned were not similar to the chief methods that underlie the legislation embodied in the bill now before this committee. The hon. gentleman continued his recital in this connection however. I am sure that hon. members of this committee will agree with me as to the impossibility of discussing each one of the acts referred to in detail if we wish to make any progress, and therefore I have had prepared a synopsis of the different policies to which my hon. friend referred. If I understood him rightly, he emphasized in the first place the danger of government monopoly, price fixing and controlled production, together with compulsory cooperation, which he referred to more especially at the close of his remarks. The countries and states which he indicated in his address in connection with a marketing policy were Queensland, New South Wales, Bulgaria, Brazil, Chili, Cuba, Germany, Greece, Latvia, the Netherlands, Roumania, Italy, Sweden, Switzerland, Hungary, Egypt, Jugoslavia and Uruguay, sixteen countries and two states. Of these, twelve provided in their policies for government monopoly of purchase and sale. That is not one of the chief principles of the bill which is before us. The object of the bill before the committee is to enable producers, in so far as they indicate a desire to this end, to regulate marketing by organization and in some instances, if it is felt desirable, through appointment by the dominion board as its agency in the marketing of their own produce. I contend therefore that the statement put on Hansard by the hon. member was far afield if it was intended to apply to the bill before the committee. In the second place, of the different marketing plans which he discussed at considerable length, fifteen embodied the principle of price fixing; that principle appeared in fifteen out of the sixteen countries and two states he mentioned. The bill before this committee makes no provision for price fixing, and therefore I contend again that the hon. member was very far afield indeed when he compared the eighteen different policies of those sixteen countries and two states to the bill which is now under consideration. As I say, one of the chief principles in the plans he discussed was price fixing, which is not provided for or is not one of the aims of the bill before the committee. Further, of the eighteen policies which he outlined, in which reference was made to production control, four made provision for such control. In the bill which is before the committee no power is given to reduce or control production. I feel therefore that it is not necessary to dwell at any greater length on the statement made by the hon. member for Ontario.

Mr. MACKENZIE KING: I do not wish to interrupt the minister, but does he say that in the bill there is no provision which will admit of limiting or controlling production?

Mr. WEIR (Melfort): In the bill no power is given to the local or to the dominion board to control or restrict production.

Mr. MACKENZIE KING: Does the bill not give power to the local board to draw up any scheme it wishes and might such a scheme not include control of production?

Mr. WEIR (Melfort): The scheme that they would submit might include controlled production, but no power is given to the board to control production and therefore no consideration would be given to a policy of controlled production since no power could be given to enforce it. In the bill there is no provision set out to give a board authority to enforce controlled production.

Mr. MACKENZIE KING: Supposing we assume that the government as part of its policy desired to control production, would not the provisions of the bill be ample to enable the government to control production? I admit the government might not in every instance do that, but do not the provisions of the bill enable it to do so if it wishes?

Mr. WEIR (Melfort): My understanding is that there is no such provision in the bill. The deduction that the hon. member for Ontario made from his survey of the whole situation as he saw it and the dangers inherent in provisions set out in this bill in regard to marketing, which provisions were altogether different from those he dealt with in the other policies outlined by him, led him to conclude with a very definite statement as to the dangers of compulsory cooperation. He stated that it would sap from the individual his personal initiative; that it would make him a serf, reduce him to serfdom, to slavery, to becoming a ward of the state; also that it would lessen his credit, that he would not be able to get the same credit from banks, mortgage companies, and so forth that, I take it from what my hon. friend said, the individual would if he retained his individuality without becoming a party to this compulsory cooperation that the hon. gentleman decried so strenuously.

That sounds all very well in theory or in words, but let us rather examine compulsory cooperation as it is in practice. Have we in Canada any one hundred per cent compulsory cooperation?

Mr. BROWN: No.

Mr. WEIR (Melfort): The hon. member for Lisgar says no. I think he will agree with me that the people in the school district in which he did live or lives are compelled to cooperate through the payment of taxes which is certainly not left to their voluntary donation.

Mr. HANBURY: Pretty far-fetched.

Mr. WEIR (Melfort): I do not think we could find, for one example, a better one than that, that the members in a school district are compelled to cooperate to build and support a school and their contribution is certainly not voluntary.

Mr. BROWN: If that is the minister's style of reasoning he had better get somebody else to promote this bill.

Mr. WEIR (Melfort): I appreciate the fact that the hon. member may not agree, but he will certainly agree with me that that is compulsory cooperation; it is the identical principle of it. If we follow the reasoning of the hon. member for Ontario, what he would advocate is that each man in a certain district would build his own school and hire his own teacher and that in doing so he would have greater credit from the banks and the mortgage companies.

Mr. MACKENZIE KING: I do not think the minister has answered the question asked by the hon. member for Ontario. It was: Does this bill contain provisions which imply compulsory cooperation, not have we compulsion elsewhere?

Mr. NEILL: The word used was "enable."

Mr. WEIR (Melfort): I am answering the statement which the hon. member for Ontario made decrying very strenuously the principle of compulsory cooperation. I could give numerous similar examples throughout the dominion where members of a community bind themselves together because the majority feel that it would be of advantage to have compulsory cooperation. For instance, I might cite the building of roads. They are forced to pay taxes because the majority feel that it would be to the interest of the community that this should be done for the purpose of building roads for them. If we follow the argument advanced by the hon. member for Ontario, I suppose he would advocate that each farmer in a community should make his own trail and build his own road to town so that he might thereby retain his own individuality and initiative. I think the whole principle of our democratic institutions is that the majority be given power to effect what they think is in the best interest of the community. If the principle works out in practice as it does, I feel that compulsory cooperation in that form has been acknowledged as a very valuable and necessary instrument for the furtherance of our present day civilization.

Mr. MACKENZIE KING: Is the minister by citing those instances defending the principle of compulsory cooperation as it is to be found in this bill?

Mr. WEIR (Melfort): If the right hon. gentleman was listening when I answered him before, he will recall that I said I was dealing with statements made by the hon. member for Ontario.

Mr. HANBURY: The minister has not yet answered his question.

Mr. WEIR (Melfort): I cannot answer his question and every other one at the same time. The hon. member for Ontario asked whether compulsory cooperation was implied—

Mr. HANBURY: Enabled.

Mr. WEIR (Melfort): He changed that to "enabled"—in this bill. But the whole statement leading up to that was that it was government control, government restriction, government sending out of inspectors and so forth. The principle of this bill —and hon. members can judge as well as I can by reading it because I think it is couched in quite clear English—is that if a sufficiently representative body of producers wish to formulate a plan for the more orderly, less wasteful and better regulated marketing of their agricultural products, they are free to submit their scheme to the provincial minister if it has to do with provincial marketing, or to the federal minister if it has to do with federal marketing, or if organized provincially, with interprovincial and export trade. If a certain percentage of the producers and of the production—in England, I believe, it is sixty-six and two-thirds per cent—ask for this or show by a poll that they are in favour of it, it is then placed before the provincial minister or the federal minister to decide whether, after submitting it to the lieutenant governor or to the governor in council, a scheme such as that would be approved.

Mr. MACKENZIE KING: I think the minister meant after submitting it to the board.

Mr. WEIR (Melfort): Yes, after submitting it to the consideration of the board it will then be submitted to the governor in council. In so far as they ask for power such as that, it would force all within an area to conform to the scheme for regulating the marketing of their product. I would think that there is provision for that in this bill.

Mr. HANBURY: That is, for compulsion.

Mr. WEIR (Melfort): Compulsory co-operation, of which hon. members opposite are so frightened. We sit in this house by compulsory cooperation. The reason there is nothing in this bill as to the percentage of the producers and of production that could be required for such a scheme to be accepted is because my understanding is that that comes under the jurisdiction of the provinces. They might decide on different percentages, if they accepted such a scheme, depending not only on the judgment of the lieutenant-governor in council but also on the product to be regulated in marketing.

Mr. POULIOT: May I ask the minister to be kind enough to answer the two questions I have asked him, with regard to the decrease in home consumption.

Mr. WEIR (Melfort): We have not the consumption figures at hand. I shall be glad to look up the hon. member's statement that he put on Hansard and endeavour to have an answer for him.

Mr. POULIOT: I thank the hon. gentleman, and I shall send him a copy right away. Those figures are prepared and compiled on the basis of official information, as I said before.

Now there is another aspect of the matter. I shall send that other tabulation to the hon. gentleman with a third one, in order that he may have opportunity to peruse those figures. Let us come to the net losses suffered by the Canadian farmers in the sale of those twelve farm products. The exports must be taken also. This summary includes the amount of decrease in home consumption according to the prices of 1933; also the 1933 exports compared with the exports for 1930, and in the third column the total loss to the producer or farmer:

Losses suffered by the Canadian farmers in the sale of twelve commodities or farm products

	Value of decrease in home consumption 1933 prices	1933 exports compared with 1930	Total loss
Apples	$ 2,601,358	+ $ 2,050,494	$ 550,864
Honey	953,568	+ 111,363	842,305
Eggs	5,974,769	+ 352,507	5,622,262
Dressed beef	5,198,138	— 672,534	5,870,672
Concentrated milk	3,674,310	— 851,093	4,525,403
Cheese	822,009	— 5,130,401	5,952,410
Potatoes	964,172	— 5,504,758	6,468,930
Peas	473,177	— 3,819	476,996
Oats	1,543,658	+ 635,552	908,106
Barley	11,604,185	+ 225,488	11,378,697
Wheat	15,165,258	— 63,373,340	78,538,598
Wheat flour	5,759,490	— 18,523,737	24,283,227
	$34,333,884		$145,418,470

Then, to sum up the whole matter we find that in 1933 the loss sustained in external and internal trade on twelve farm products amounted to $145,418,470. The difference between the 1933 prices on these twelve farm products as compared with the prices in 1930 amounted to $51,863,714. Giving the same comparison in regard to butter we have the figure of $2,924,393 and in regard to pork meat $20,792,046. The loss to the farmer in the year 1933 on the fourteen commodities, namely apples sold by the barrel, honey by the pound, eggs by the dozen, dressed beef, concentrated milk, cheese, potatoes, peas, oats, barley, wheat, wheat flour, butter and pork meat, amounted to $220,998,623. This loss is one which has been sustained by the farmers, and when we are considering a decrease in home consumption we are not dealing with tariffs, but are dealing with trade within Canada.

Mr. MACDOUGALL: By how much was our external trade in apples increased? The hon. member did not mention that.

Mr. POULIOT: I shall read it again to the hon. member. Of course, he will see it to-morrow in Hansard. The value of the 1932-33 decrease in home consumption of apples sold by the barrel at the prices pre-

vailing in 1933 amounted to $2,601,358. From that we have deducted the surplus of the exports of 1933 over those of 1930, amounting to $2,050,494, leaving a total loss to the apple producer of $550,864.

Mr. MACDOUGALL: The hon. member's figures are absolutely incorrect.

Mr. POULIOT: I would ask the hon. member to give the minister a chance to answer. When he is minister he will have an opportunity to give information to the house. Meantime I should be delighted to have my answers from the minister. I shall send him those statistics. I am sure he realizes fully that it is a great anomaly in a country such as ours to have a decrease in the home consumption of, for instance, eggs, of 45,959,763 dozen. That is incredible. The decrease in the consumption of wheat has been over 55,000,000 bushels. The decrease in the consumption of wheat flour is 1,689,000 barrels. These figures are almost incredible. Presumably there are some people who cannot even eat bread. Despite the fact that our population is now greater, the people must be eating less, because they cannot buy food—farm products. The condition is all the more incredible because prices of farm products are today much lower; in fact they are one-half and, in some instances, one-third what they were in 1930. Prices have fallen; yet the Canadian people are suffering such hardships that despite the decreases in prices they cannot buy food. What is the reason? What remedy would be applied by the minister? May I say to him that these changes in home consumption developed gradually; the decrease did not come upon us like an earthquake. It developed from year to year, and if the minister would peruse the statistics he would learn that in all those fourteen products, with the exception of two, namely, butter and pork meat, in each year there was a decline in home consumption. The trend was downward. At this time I shall ask the minister what the government has done in the past four years to stop that decline and to see that the home consumption in farm products shall not decrease any more. I believe I am acting fairly with the minister, because I am not asking him for information about fish, which is mentioned in the bill; neither do I ask him for information with regard to timber. I have not questioned him about the leather industry, or about those industries mentioned by the Prime Minister in his speech of October 12, 1932. Although I have the figures before me in regard to fish products and the lumber industry, I shall not ask the minister questions about it. He is in charge of the department which serves agriculture. As an able farmer he must know more about his department than any other hon. member, because not only has he all the information sent in from all parts of the country, but as boss of his department his officers must work in accordance with his instructions. He receives weekly or monthly reports about the situation of agriculture in all parts of the country. If his information is not complete he has that great privilege which other hon. members envy at times, namely that of ordering his officers to get him the information he desires. Then, he has the valuable services of his deputy, and those of another gentleman who at the present time is sitting in front of him.

To-day I am asking the minister to answer my questions which, I believe, are fair and reasonable. I do not wish to cause trouble, but I want information so that when I go home and my people ask me the same very reasonable and sensible questions I may be in the position to tell them, "I asked this question of the Minister of Agriculture in the House of Commons when I was speaking in your name, and he gave me the illuminating answer which I shall now give to you." I am sure the minister will give me the information at once.

Mr. BROWN: Mr. Chairman—

Mr. POULIOT: Just a moment; I am just concluding my remarks. I am sure the minister will answer.

Mr. WEIR (Melfort): My understanding was that with these statistics on record in Hansard an answer would be submitted to the hon. member for Témiscouata.

Mr. POULIOT: I thank you.

Mr. VERVILLE (Translation): Mr. Chairman, Bill No. 51, under consideration seems to me—pardon the expression—a deceitful bill. I shall not dwell on the title:

> An act to improve the methods and practices involved in the marketing of natural products in Canada and in export trade, and to make further provision in connection therewith.

It is futile to discuss the title of this bill, it is but necessary to examine the provisions to have an immediate and comprehensive idea of the powers which the government was unable to obtain by the signature in blank act, it insists that such powers be granted to it by this bill. The government stated: Pursuant to the unemployment act, grant us full power to relief those in want.

Mr. CASGRAIN (Translation): Hear, hear.

Mr. VERVILLE (Translation): Through this bill, introduced by the hon. Minister of Agriculture (Mr. Weir) who is an excellent man, the government intends to help agriculture. How? I ask the minister. How can he help agriculture, at present, by this bill? Price levels will be raised. How? I shall briefly express my views: It is simply intended by this bill to favour the large interests to the detriment of the small wage earner—

Mr. CASGRAIN (Translation): Hear, hear.

Mr. VERVILLE (Translation): —although giving the impression that the bill is favouring the latter.

After examining this bill, sir, I wonder what it embodies that might be helpful to the farming class. Will it be by preventing too great a spread between the prices paid to producers and those exacted from the consumers by the distributors? How? It is the old saw: We shall endeavour to help you; however our friends are wealthy, they will make money at your expense and nothing will be left for you. It is the same old saw we have been listening to for the last four years and it will continue so after the bill is enacted.

The reason always given is that the opposition has no suggestion to make. This bill affords me, as a humble rural member, an opportunity to offer one. If the hon. minister would include my suggestion in this bill, I readily would support the measure, because the bill then would be helpful to the farmer. Previous to selling his products, the government should see that he grows them. To grow them he must be given the necessary means. I therefore would offer the committee the following suggestion: In each of our parishes, throughout every county there are, at present, at least ten abandoned farms. This is perhaps underestimating the truth, however, I am not exaggerating when I state that, in each parish of Quebec, Ontario and other provinces, at least ten farms, at present, have been abandoned. By whom? By farmers. This bill aims at improving the land where our farmers live. Ten farms by parish and as there are 1,500 municipalities in Quebec, it makes a very large number of farms abandoned. These figures are equally true for other provinces proportionately to their popplation. The endeavours made by the government—and there are some that are very landable which I approve—to help the settlers and unemployed should also be extended to our farmers. It so happens that, in our rural districts, there are excellent farmers and workers, who, having a large family, wish to purchase adjacent farms which have been abandoned, they cannot do so, however, owing to lack of money. Instead of endeavouring to market the farmers' products, the government should provide them with the means to purchase land. A provision should be embodied in this bill by which the farmer could be granted an amount sufficient to purchase a land that has been cleared, where there is a house and out buildings and where he could settle one of his sons, who the following autumn could, by the sale of his crops, have sufficient to live upon and even get married, make a home for himself and thus be in a position to make use of the services of the blacksmith, the merchant, the doctor and other professional men. That would really be doing good work, and would help the back to the farm movement and would be an inducement to keep on the farm those who like farm life.

In our parishes, at present—I have had some experience—farms can be purchased for $1,500 and even $1,200, by paying $200 cash and $50 per year. These farmers would live on the land and would no further depend on the state. The government would have thus provided them with a home and the whole of Canada would reap the benefit. Such a provision would be far more beneficial than numerous provisions in this bill, which is very obscure. Include such a section and thus afford me an opportunity to vote for this bill. After all, it is preferable to keep in our midst 3,000 sons of our province and 4,000 of Ontario as well as many others from other provinces, instead of their being forced to seek another country. It is better to settle these young men on the land than to endeavour to force upon them profits on products that do not exist and even when they were grown by their fathers, the latter could not dispose of them because the markets had been lost by this government.

That is my suggestion.

Hon. members opposite contend that no suggestion comes from this side; well, this is one. Accept it and include it in the bill. I am expressing my own views; however, a number of members on this side would support such a measure because it would be an efficient remedy. Instead of pretending to help the farming class, the government would really be accomplishing something; even if such a provision has been put forth by a

member on this side, the government could take all the credit—while the public would be grateful to us.

Mr. CASGRAIN (Translation): Hear, hear.

Mr. VERVILLE (Translation): The government cannot expect the farmers to benefit from the fact it takes up farming. This bill like others introduced by this government aims at enriching a small group. On behalf of the people, on behalf of my fellow-citizens, I request hon. members opposite to cease making laws to favour the wealthy. Be honest and endeavour to help the farmers, those who produce butter, eggs, pork and beef. Do not attempt after four years to introduce a bill to create markets. Such is not the case. It is simply an attempt to deceive the people who, however, can no longer be fooled.

Be honest! The government have promised that butter would sell at 70 cents per pound, and it sold, on an average, 19 cents for the last four years; they promised that eggs would sell 60 cents a dozen and they sold at 15 cents for the last four years.

Mr. CASGRAIN (Translation): Election promises.

Mr. VERVILLE (Translation): The government promised to raise the price of hay. It is true that in Quebec and Ontario it has increased somewhat, but only when farmers had none. The government and members opposite are responsible for such a state of things. That was not to be laid at the door of Providence, for Providence seemed somewhat surprised. Let the government, but especially the hon. Minister of Agriculture, show their good will by including in this bill the practical suggestion which I have just made. Let them find some remedy to relieve the ills from which our farmers suffer, they who have been left penniless; thus the bill introduced in the house will prove to be of some practical benefit.

I shall support this measure inasmuch as the government agrees to accept my suggestion, otherwise, I shall oppose it for the simple reason that the government is powerless to dispose of the products which have been accumulating on the markets for the last four years. Those that should be helped, at present, are the farmers, especially, those who wish to settle their sons on farms adjacent to theirs and on very reasonable terms.

Some loaners are willing to sacrifice a mortgage of $1,200 for $500. There are people who willingly would make sacrifices, but the government, themselves, will not do any. Let the government bestir themselves to help the people.

Mr. CASGRAIN (Translation): Let them do something!

Mr. VERVILLE (Translation): I shall quote a typical case. Recently, a farmer called at my office, the father of eleven children—it appears that a certain U. S. judge finds it criminal to raise such a large family—a good Canadian, a devoted father and devout catholic and, moreover, one of my constituents. He has led a good life and will continue to do so. He purchased a settler's lot and had already cleared 15 acres and had intended to settle his son on it but had not sufficient money, because it would have taken $200 or $300 or even $500 to put the land into shape. He inquired of me whether he could be assisted, I was obliged to inform him that neither the dominion Minister of Agriculture nor the provincial Minister of Agriculture granted any assistance. He was therefore obliged to sacrifice his lot and keep his son at home.

The government have an opportunity to help the farmer by this bill. Let them do so, I beg of them!

I have just quoted an example such as exists not only in Quebec or Ontario but throughout the dominion. If the object of the bill is to save agriculture and help the farming class, let the government begin by assisting heads of families who wish to settle their sons and own lots close to their farm but who have not the necessary funds to do so.

Those are my suggestions and I beg of the hon. Minister of Agriculture to include them in his bill. Before even regulating the marketing of products, the opportunity must be afforded to farmers and their sons to produce them.

Mr. NEILL: Mr. Chairman, I do not intend to discuss the principle of the bill on this section, which deals with the title, because I think that would only be prolonging the debate that has already taken place on the principle when the second reading of the bill was before the house. But I wish to ask the minister a question, possibly two, and I do not want to see them meet the fate of the question asked by the hon. member for Ontario which caused at least delay and a good deal of mysticism. I will hedge it around so far as possible to make it perfectly plain, and so that there can be the least opportunity of receiving other than a distinct reply.

The minister in various speeches at different stages of this bill has stressed quite particularly his desire for cooperation from all sides of the house, and when I heard him express that wish my heart warmed to him. I thought that here was a man who was going to rise superior to party allegiance and was willing at least to consider the views of others in the house than members of his own party, which certainly was a spirit well calculated in a bill of this kind to produce a serviceable bill and one that would go through expeditiously. But, sir, while the minister gave that lip service to the idea of cooperation I failed to find in his actions any evidence that he would be glad to receive or that he would even allow cooperation. Anyone taking the stand and expressing the desire for cooperation might have refrained from indulging in personalities, as the minister did in his last speech in closing the debate on second reading. That was a course entirely unprovoked unless we must regard it as a crime even to comment on the bill or criticize its very obvious deficiencies.

The minister got a large amount of support, solid support I think, from this corner of the house, supplemented by the two Independents and by two Liberals, and nearly every one of these men who spoke in support of the bill, including the ex-Minister of Agriculture (Mr. Motherwell) and the hon. member for Acadia (Mr. Gardiner), the leader of the farmer group in this house, and I am not sure if not some of the members behind the minister—who voted for the second reading—said they did so with the desire that the bill would go to the agriculture committee where its manifest weaknesses, discrepancies and contradictions might be threshed out at greater ease than could possibly be done here. When the minister was pressed to yield that point, the customary thing which has been done before, he would not give way. I do not think there was much spirit of cooperation there.

Then later on we find the minister saying that he had a number of amendments to make to the bill, and the Prime Minister went further than that and said there was a large number of amendments. I have Hansard here, if anyone doubts it. Then the right hon. leader of the opposition, commenting on that fact, suggested, also I think in a spirit of cooperation, that the minister should put these amendments upon Hansard, should read them at the time, so that they would appear in Hansard and be available to us all. But the minister bluntly refused to do so, and while he referred to two amendments that he proposed to introduce he did so vaguely, without reference to any particular section merely saying that they were to clarify the bill, giving us no precise indication of the nature of the amendment or where it would come in, in which case we would have had an opportunity of seeing whether it was calculated to carry out the intent behind it.

Later on in the debate before the committee rose I brought the matter up again, and suggested that the minister might well, indeed I begged him to put his amendments in the votes and proceedings, which would not destroy the continuity of the record in Hansard, but would make the amendments available to us all. But the minister was not willing, or at any rate did not take that action. There is ample precedent for such conduct. In the British House of Commons there is a very distinct rule, a rule hedged around with penalties, that no one, no matter what his position may be in parliament, shall introduce an amendment to a bill without giving notice. That means that the amendment appears on their votes and proceedings, or whatever corresponds to our votes and proceedings. Take the position here. When the Senate sends back a bill with amendments they are not considered in this house until notice has been given of the details of each and every amendment. Those amendments appear in our votes and proceedings and we are therefore able to form an opinion on the actual amendments. We go further than that. There is standing order 113 to be found at page 279 of Beauchesne's rules which provides that in the case of private bills, no important amendment can be moved in committee unless notice has been given. That means, unless it appears in votes and proceedings. The Prime Minister of Canada could not introduce an amendment of any consequence to any private bill, even though it be some tuppeny-ha-penny bill dealing with a bridge or the incorporation of a company to make hair nets or grindstones, unless notice has been given in the ordinary way. I admit that this is not compulsory in connection with government bills but this practice has the sanction of custom. Why does not the minister ask his colleagues what has been the custom in this house in years gone by? Let him ask the Minister of Finance what is the custom in connection with the budget. I recall very clearly, if he does not, that when the Prime Minister was Minister of Finance he introduced a budget containing a great many amendments to the tariff. Partly because of a suggestion of the leader of the opposition and partly through his own initiative he caused to be prepared elaborate

documents showing the relation and consequence of the amendments proposed to the tariff. He did not need to do that as it was not legally necessary in the presentation of his budget. He could have let us struggle through trying to find out this information the best way we could by asking questions as each item came up but he had the courtesy and good sense to do it in that way. He facilitated the passage of the bill because we had the whole thing in front of us and did not need to ask any questions. I think we all appreciated his courtesy. The cost of printing a few lines in the votes and proceedings would be nothing while the benefit might be the saving of two or three days of debate. I am quite certain that what I have said meets with the agreement of every hon. member of the house, with the possible exception of the minister himself. He proposes to read out each amendment as we go along. He will stand up and say, "Strike out all the third line after the word 'and' and insert these words." There may be considerable noise in the chamber and we may not be able to catch the amendment or not sufficiently appreciate its meaning. Questions will have to be asked and there will be more delay. We will either let it pass in ignorance—I hope that is not his idea—or we will insist on further explanations. Can any hon. member imagine a lawyer pleading a case in court and a judge telling him that the section of the act with which he is dealing has been amended and then reading out the amendment rapidly and expecting the lawyer to base his defence or line of argument upon that? I am certain that if the minister will agree with my suggestion he will greatly facilitate the passage of this bill. I ask him as plainly as I possibly can: Will you not give way to the suggestion I have made and, if not, why not?

Mr. WEIR (Melfort): I agree with the hon. member who has just spoken that there is a good deal of force in what he has said. When this question was raised before I stated that consideration would be given but I regret that I have not brought the matter before my colleagues. I shall be glad to do so at the meeting to-morrow of the council and I will then give the hon. member for Comox-Alberni (Mr. Neill) a reply to his question.

Mr. BROWN: Mr. Chairman, I find it necessary to make some reply to the remarks made this afternoon by the minister. When the committee rose at the last sitting the hon. member for Ontario had asked if this bill implied compulsion in the matter of marketing. A very simple answer could have been given to that question but the minister has done nothing but skate around it. The minister knows that if this bill goes into effect it will be possible to have, let us say, a compulsory wheat pool. This is a question of outstanding importance in Saskatchewan. It is important also in Alberta; I do not think to the same extent in Manitoba. Should this bill pass it would be possible to establish a compulsory wheat pool under certain conditions. The minister knows just as well as the rest of us that that is what is intended and that that is what is sought by many of those who seek the passing of this legislation. Instead of stating that there was no such implication in the bill he proceeded to define compulsion and asked: Have we compulsion provided for in Canada? Those may not be his exact words but that is their meaning. I answered, "No," thinking, as any other hon. member in the house would have thought, that the compulsion referred to applied to the marketing of our products. The minister then proceeded to give what he considered to be a parallel case and he outlined the way in which our schools are carried on and our roads built. We all know that these matters of public interest are carried on by community effort. I hesitate to say what I think of that kind of argument. I do not think it would be worthy of a debate carried on in one of our country schools.

Apparently the minister does not realize the full implication of the proposals contained in this bill. They are much more far-reaching than he realizes. I should like to quote a few statements which appear already in Hansard and to which reference has already been made. I think these are important enough to be again brought to notice. Speaking on the second reading of this bill I expressed the fear that friction might arise between the provinces in the administration of the legislation. I said:

> I see there the possibility of great friction, the possibility of difference arising between the provinces that may strain the bonds of confederation. Let us suppose for a moment that the apple growers of British Columbia view a certain course of action as being in their interest, the apple growers of Ontario take another view, and the apple growers of Nova Scotia still another. Let us suppose that they all want to get into the prairie market. As a consumer of fruit on the prairies I want to see that we can get the kind of apples we want. Yet this board which is to be brought into existence is to have the power to say that British Columbia apples can go to such and such a place, Ontario apples to another place and Nova Scotia apples to another place. It may be just a prejudice but it is an idea that is strongly held on the prairies, especially

among those who came from old Ontario, that Ontario apples are just a little better than British Columbia apples.

Mr. NEILL: Order, order!

Mr. BROWN (reading):

Mr. Bennett: What about Nova Scotia apples?

Mr. Brown: I have not had the privilege of eating many Nova Scotia apples. There was one year in which they came west, and we would be very glad to have the privilege of buying Nova Scotia apples if we find them better than other apples.

I expressed the fear that friction might arise. The Minister of Trade and Commerce sees, as the minister does not see, the far-reaching implications of this bill; for the Minister of Trade and Commerce, as quoted by the hon. member for Ontario, made this statement:

For instance our friends in Nova Scotia, who are only five or six days distant from the British market can pour their apples in while British Columbia and Ontario might be handicapped in that regard. Or British Columbia might have say 10,000 cases going through by way of the Panama canal in cold storage; the market is in danger of being flooded, and someone from eastern Canada pours his apples in and destroys it. No one, I am sure, desires that.

The hon. member for Ontario, having quoted that statement, made this comment:

Well, may I tell the Minister of Trade and Commerce if I were a Nova Scotia apple grower I would desire it. I would like to take advantage of my geographical situation, and I believe the apple growers of Nova Scotia, generally, will take the same position.

Evidently the Minister of Trade and Commerce appreciates the far-reaching effects of this bill, as the Minister of Agriculture does not; for in advancing reasons for the bill he pointed out that the countries of Europe were setting up quotas applicable to us and that we should need to have this central board in existence to meet the terms of those quotas. Then he proceeds to give what to my mind ought to be the death blow to the bill, so far as Nova Scotia is concerned, when he thinks that the people of Nova Scotia will forego the advantages of their geographical situation. I can imagine that a similar situation might occur again and again. We might wish, as we certainly do wish, that human nature were so unselfish and self-sacrificing that the people of Nova Scotia would be willing to forego that advantage, but it is rather unsafe for us to frame legislation on that supposition. I think we have pointed out a case where friction may very well arise. The Minister of Trade and Commerce has admitted that it is proposed to do certain things. The hon. member for Ontario, speaking I believe what everyone in this house would endorse, said that there would be an objection if any particular community were to be deprived of its geographical advantage. These are some of the things in regard to which there is provision in the bill and we hope that when the minister brings forward his amendments these very grave defects will be corrected.

Mr. VALLANCE: I was rather surprised at an answer which the minister gave the leader of the opposition. When the leader of the opposition suggested to him that it was possible for this board to control production, the minister said that such power was not given the board. I have read the bill many times and I want to give the minister an opportunity of interpreting for us subsection (f) of section 4, which provides that the board shall, subject to the provisions of the act, have power:

To require any or all persons engaged in the production or marketing of the regulated product to register their names, addresses and occupations with the board, or to obtain a licence from the board, and such licence shall be subject to cancellation by the board for violation of any provision of this act or regulation made thereunder.

If this board is to have the power indicated in that subsection, either to grant or to withhold a licence from a producer or anyone marketing products, how can the minister argue that it cannot control production? The producer must make application for a licence. I am a producer, let us say: automatically in the first instance, I presume, I get a licence. For some reason, after the first year, the board decides that I shall not have the licence renewed. Can it not by this power control production in regard to all commodities which this bill proposes to market? Will the minister give us his opinion on that point?

Mr. WEIR (Melfort): It does not state in section 4 that the producers are registered or licensed for production but for the regulating of the marketing of their product; and the reason the producer is registered or licensed is that the board shall have information as to the quantity of product that is to come forward to be sold. If the scheme required, for example, that in the event of 75 per cent of the producers of any product desiring to do so, they could force the other 25 per cent in, and the provincial government agreed to such a scheme, and if one of the producers in that area insisted on breaking the regulations, his licence could be cancelled, but it would be restored as soon as he conformed to the regulations; otherwise there would be no control.

Mr. VALLANCE: Does it say so in the bill —that the licence will be restored?

Mr. WEIR (Melfort): The only reason the licence would be cancelled would be for a violation of the regulations, and if the producer conformed to the regulations the reason for cancelling the licence would disappear.

Mr. VALLANCE: I suggest, in view of what is taking place now, that if the minister would take the advice that has again been given this afternoon and would place on Hansard the proposed amendments which he is going to bring in it would save a great deal of unnecessary discussion. There may be some amendments to the very clause I am objecting to, and probably the minister has them at the back of his head when he says that the board has not the power to control production. Possibly there is an amendment that makes it clear that the board has not that power, but I argue that subsection (f) of section 4 does provide for control of production by the withholding of the licence, because it says that the licence shall be subject to cancellation. But it does not say anywhere that after certain things have been done the board will renew the licence. I suggest to the minister that as soon as it is possible he should place the amendments at the disposal of the committee so that we could intelligently discuss the subject. If he did that I think the bill would go through much more quickly.

Mr. MACKENZIE KING: The hon. member for Ontario does not happen to be in the house this afternoon, and therefore I wish to revert to what he said to the minister the other day. I would ask the minister if he would not give us a brief, concise and clear answer to the question put to him. The question put by the hon. member for Ontario will be found at page 2813 of Hansard.

> Does not this bill imply compulsory cooperation? I am opposed to its compulsory features. If you say that there is no compulsion, that it is purely voluntary, then naturally I withdraw my objections. I am for cooperation.

That brings out the significance of a direct reply. The hon. member for Ontario said—and I think all on this side agree with him—that if this measure, as respects cooperation in marketing, is a purely voluntary one, and does not contain elements of compulsion, then we shall have little or no difference with hon. gentlemen opposite with respect to its main features and we can make rapid headway in the discussion of its provisions. On the other hand, if it is a measure that implies compulsory cooperation, it is of importance that that fact should be definitely and clearly stated. On the following page the minister himself began to reply to the hon. member for Ontario in these words:

> He has asked this question: Does not this bill imply compulsory cooperative marketing?
> Mr. Moore (Ontario): Enable compulsory cooperative marketing.
> Mr. Weir (Melfort): I understood my hon. friend to use the word imply.
> Mr. Moore (Ontario): Enable. If I used the word imply I will substitute the word enable, if I may—enable compulsory cooperative marketing.

That is the question just in four words. Does the bill enable compulsory marketing or compulsory cooperative marketing? The answer which I think the house is entitled to receive from the minister is that it either does or does not. The minister is in a somewhat different position from that of most hon. members; he is the minister of the government in charge of the bill and the house has a right to expect from him very specific, definite and clear answers. In what he has said this afternoon—and I hope he will tell me if I am wrong—he has defended compulsion. He is quite within his rights in so doing; that I would expect he would wish to do if the bill embodies features of compulsion. It may be that compulsion is justified; that is for him to say. We are not taking objection to the minister defending any clause in the bill; all we want to know is whether it contains features which enable compulsory marketing. Would the minister advise the house as to that in a direct manner, and without circumlocution?

Mr. WEIR (Melfort): I am sure the right hon. gentleman speaks with authority on the question of circumlocution. This afternoon I answered as clearly as it is possible to do, to what extent this bill would involve compulsion. I think hon. members will agree that no controlled marketing can be effected without control or without compulsion in a degree.

Mr. MACKENZIE KING: Then I am right in assuming that the bill does enable compulsory marketing?—

Mr. WEIR (Melfort): As I stated before in some detail somewhat earlier this afternoon, under those conditions it enables compulsory marketing with qualification; it does not say that compulsory marketing is always resorted to but the bill enables it in certain directions.

Mr. BEAUBIEN: Suppose sixty or seventy-five per cent of the growers of any natural

product desire to form themselves into a co-operative marketing organization and through their local or provincial boards come to the minister here with a scheme for the marketing of that product: can the marketing board under this bill compel the other forty or twenty-five per cent that are growing the same commodity to go into this marketing scheme, or can it not? I would like to have a direct answer to that question.

Mr. WEIR (Melfort): That is a possibility under certain conditions.

Mr. MARCIL: The conditions, I understand, must be the consent of the provincial governments, so this bill is subject to provincial approval or else it becomes a dead letter in that respect.

Mr. WEIR (Melfort): I stated this afternoon that in so far as certain schemes are concerned, they would be submitted to the provincial government because it has jurisdiction to deal with questions of property and civil rights.

Mr. BEAUBIEN: The minister said: "that is a possibility under certain conditions." Are the conditions under which it might happen mentioned anywhere in the bill? What are the conditions?

Mr. WEIR (Melfort): They are in so far as they can be set out in detail.

Mr. BEAUBIEN: Will the minister tell me what clause in the bill takes care of that? I cannot find it.

Mr. WEIR (Melfort): I thought I gave a clear answer this afternoon as to the relationship between compulsion and this bill. If hon. members wish, I will repeat it, but I am quite certain that if the hon. member for Provencher will read Hansard to-morrow he will have the answer to his question.

Mr. MACKENZIE KING: May I ask the minister one other question in order to get the exact information? On the second of May I said to him that I thought many persons believed this bill was not a marketing bill as they understood the use of the word "marketing." That is to say, they agreed that the bill provided for regulation of production and sale, but that it had in it no provision enabling a board to market the product of producers. They could not find any such provisions within the four corners of the bill. My words to the minister were these:

> You have not within the four corners of this bill any provision for a board that is going to assist in marketing the natural products of this country as producers have been led to believe is the case. If the minister will just tell us where are the provisions that make this a marketing bill as marketing is understood by those who are interested in having their natural products sold abroad through the assistance of the state we may perhaps determine whether or not even this short title is justified.

That is what I said as it appears in Hansard of May 2, 1934, at page 2753. The minister replied as follows:

> Mr. Weir (Melfort): The fundamental principle of the bill is the regulation of marketing, and that has to do with marketing; there is no doubt of that.
>
> Mr. Mackenzie King: The regulation of production and sale.
>
> Mr. Weir (Melfort): Not the regulation of production but the regulation of marketing. There is also in the bill a clause that states that the dominion marketing board has power to buy and sell and to name an agent to buy and sell, which is marketing.

I have looked through the bill since the minister made that statement and I cannot find the clause giving the dominion marketing board power to buy and sell. Would the minister kindly read that clause to us, and indicate wherein it is sufficiently broad to enable the bill to be described as a marketing bill in the sense in which I have referred to the word "marketing"?

Mr. WEIR (Melfort): In the first place, as I stated before when the right hon. gentleman asked the question, regulation of marketing or the direction as to through what channels products will be bought and sold, in itself directly bears on marketing, but clause 9 on page 6 states:

> Notwithstanding that no petition in relation to any natural product has been filed, the minister may, if he is satisfied that the trade and commerce in the said product is injuriously affected by the lack of a local board to regulate such product, at any time propose a scheme for the marketing of such product.

And the word "marketing" is defined to include buying and selling.

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

After Recess

The house resumed at eight o'clock.

PRIVATE BILL

SECOND READING

Bill No. 73, for the relief of Aziz Koudsy, otherwise known as Eddie Coudsy.—Mr. Gray.

VACANCY

Mr. SPEAKER: I have the honour to inform the house that I have received a com-

munication from two members notifying me that the following vacancy has occurred in the representation, viz:

Of Thomas Herbert Lennox, Esquire, member for the electoral district of North York.

I have accordingly issued my warrant to the chief electoral officer to make out a new writ of election for the said electoral district.

MARKETING ACT

ORGANIZATION TO IMPROVE METHODS AND PRACTICES IN MARKETING NATURAL PRODUCTS

The house resumed consideration in committee of Bill No. 51, to improve the methods and practices of marketing of natural products in Canada and in export trade, and to make further provisions in connection therewith.—Mr. Weir (Melfort)—Mr. Gobeil in the chair.

Mr. MOTHERWELL: On the twenty-fifth of January last this bill No. 51 was forecast in the speech from the throne. Since then winter has gone, spring is upon us, and summer is not far away, yet we have not passed even the first clause of the bill. I wonder whose fault it is.

Mr. STITT (Nelson): Ask those boys behind you.

Mr. MOTHERWELL: I am beginning to have a hunch that the government would not mind dropping this bill at the feet of the opposition.

Mr. YOUNG: We don't want it.

Mr. MOTHERWELL: Well, I do not want that to happen. If the government want to get the bill through in reasonable time they should expedite it by sending it to the right committee, the committee that every bill went to except one during the administration that preceded this, and the same with this present government so far as I can find from the records in the library. Every bill introduced by the Minister of Agriculture in this administration has gone to the agriculture committee except the first one, the root vegetables bill. And my good friend had a little trouble with it. Every one who has had to do with a bill amended two or three times knows it is very difficult to get it through. My good friend did not experiment with any more in that way; he afterwards sent them all to the agriculture committee, as far as I can find out. No member of the government has yet given a satisfying alibi for not sending this bill to the same committee and affording it the same facilities for improvement or amendment as were given to all these other agricultural bills. Just for curiosity, what was the one exception mentioned? The Prime Minister gave the only alibi, and it was a mighty poor one. I am sorry he is not here; I hope he will read what I have to say about it, because I think he spoke without knowledge on the matter. That was a bill to amend the Fruit Act, chapter 3 of 1924. There was a mistake of one word in the French version, it said eighty where it should have been eighty-five. It was very important to have that corrected, sufficiently important to introduce a bill. That was the only bill that came to this committee of the whole, and it is about the size for this committee to deal with, if we are to judge it by what is going on now. All the others, that were important, went to the agriculture committee. The Minister of Trade and Commerce introduced certain grain bills, and they were sent to the agriculture committee also. The Grain Act was sent there, both by the present Minister of Trade and Commerce and by his predecessor. Why did they send it there? Because they thought it was the committee that the house had set up for that purpose. Why should they send it to the banking and commerce committee? That is a committee specially picked for the purpose indicated by its name. Then there was another bill, concerning immigration and colonization, I think it was in 1929, under the late Hon. Mr. Forke, but that is not material. The investigation was wide and the matter was important. I have a book here containing the record of it, at least two and a half inches thick. The hearing lasted for weeks and certain conclusions were arrived at. It was dealt with by the committee on agriculture and colonization because questions of immigration come under its auspices. And that name, agriculture and colonization, has continued since before the beginning of this century, with the result that anything concerning colonization and immigration that required investigation was brought before that committee. So I do not think there is another standing committee of the House of Commons that is so comprehensive in its scope. Yet after ballyhooing this marketing act all over creation as the most important that has ever been brought down—and it is important—the government will not submit it to this important committee on agriculture. They have no precedent for not doing so except this little one-word bill already referred to, brought down in regard to grading apples with just

one word to change in the French version. That is about the size of the ministry over there, outside of the Minister of Agriculture—a one act government. I except the Minister of Agriculture from that stricture, although I must say he has not done much credit to himself in his very meagre explanation of this bill. Why? Because he is held back by his colleagues; that is the only reason I know of. The minister has two officers sitting in front of him who could tell us more about this bill in five minutes than we have been told up to date, yet we cannot get access to them. Did you ever hear of such a strange, distorted view of things?—and yet people will tell us there is no difference between the Tory and Liberal parties. Here is an instance of all the difference in the world. I see the Minister of Justice sitting over there, and I suppose a finer hon. gentleman does not stand in shoe leather. If he had his way I know this bill would go through the regular route, namely the committee on agriculture. Although the Prime Minister is not in the house, the Minister of Trade and Commerce, who is in his seat, will do for my purposes. In this house I have spoken more than once about the hydra-headed character of the Department of Agriculture. I do not know of any other department of agriculture in the world which has two heads, but we know that in this country the Minister of Trade and Commerce heads the cereal end and the Minister of Agriculture heads the rest of the department. So we have a double-headed, or hydra-headed proposition, and because of that we have been running up against difficulties all the time. In this particular connection I am not discussing the respective merits of these two gentlemen. I am trying to bring to the attention of the committee the folly of having two heads to any concern while some of the other departments have no head at all, not even a nominal one.

Mr. SPENCE: That was when you were there.

Mr. MOTHERWELL: This is not a laughing matter. I do not wish to be sitting here all summer simply to get a little bill through the House of Commons, but I want to get it through in some sort of decent shape, or at least in better shape than it is now. We cannot do that by vainly endeavouring to pass it through this large committee.

There may have been some excuse for adding fisheries to the bill, because in the old country a precedent has been established there by combining agriculture and fisheries. When we include fisheries we find that we have a triple-headed proposition. I wonder how many fishermen asked to be included in this bill. But when you add forestry and thereby include the Department of the Interior you have a quadra-headed monstrosity the like of which we have not seen in the world. Yet the government seem to think that they have a little NRA puppy of their own off the big Rooseveltian mastiff. They all want to climb into this life-boat so that they may be pulled ashore in political safety. It is a wonder that the whole of the cabinet are not in it, because they will all need a place of refuge before the electoral storm subsides.

Let us read what was said in the speech from the throne so far as the forecast of this bill is concerned, and let us consider whether or not the present bill resembles that which was forecast. At the instance of the Prime Minister His Excellency said:

> You will be invited to consider legislation designed to facilitate the efficient and profitable marketing of live stock and agricultural products.

That is the forecast—"live stock and agricultural products." So much for the forecast; let us see what the hindcast is. Here it is: "This act may be cited as the Natural Products Marketing Act, 1934." That includes pretty nearly everything outside. It means that under this bill one could make and sell whisky. The hon. member for Comox-Alberni was quite right when he said that one could set up a still and sell all the booze he wanted. I believe water power could be interpreted as coming under it. And what is water power or hydro power but turbined water—processed water, if you like? I do not think my right hon. leader was a bit too extravagant in his interpretation of the interpretation clause of the bill. He may have included too much, but he left out far more than he included. Consequently it is quite as wide as he suggested and, I believe, a little bit wider. I say to my hon. friends opposite that if they have any idea of dropping this bill in our lap over here they had better amend it first or they will be flayed alive for it in the country. No man on two legs could defend it in its present shape. What is more, it is so interlocked, interwoven and everything else of an "inter" nature that you could not get it started. That has occurred with many similar bills in other countries. Much of it is entirely new legislation. I suppose the men in other countries are no more supermen than the men in this country. Even in Great Britain

the bill would not start itself. In its first year, namely 1929, it would not operate under its own steam. That is the reason such an extraordinary and unfair showing can be made against this type of legislation.

I should like to see the minister bring to the committee all those decrepit, derelict bills, European and other marketing bills, which have fallen by the wayside, and make an effort to avoid the difficulties which confronted them. But he has accentuated his difficulties in the present bill by trying to gobble up everything else, to bring it under the present legislation thereby making his position more difficult and creating more opposition all along the line. So, you see, the government seems to have got off on the wrong foot, from the very beginning. I think everybody knows the history of this legislation. Out in British Columbia the growers have been like harts panting for the water brooks in their anxiety for this legislation when amended. They have been wanting this legislation for years. We are told by the representative grower from Chilliwack that if this bill is passed the seven years legal war will be over. Nearly everybody out there is behind it, because they feel they cannot get along without their previous marketing activities being made constitutional by the present legislation. That, in itself, would be a great advance over conditions which prevailed before, because in the past every commodity had to be dealt with by separate authorization.

I have quoted from the speech from the throne delivered on January 25 words showing that this should be an agricultural marketing act. On March 26, a little more than two months afterwards, members of the government change their minds and say, "It will be a conglomerate bill taking in nearly every natural product under the sun." Of course, the government have a right to change their minds; as a matter of fact if they like they have a right to bring down no bill at all. Quite frequently legislation which is forecast in the speech from the throne never comes before the house. All hon. members know that. If the government can do that, certainly they can change a bill. However, before I go further I should like to ask the minister if the bill forecast in the speech from the throne, an extract from which I have just read, is the same bill as the one now before the committee.

Mr. WEIR (Melfort): Yes.

Mr. MOTHERWELL: Well, it does not look much like the original design, and it will look less like it by the time it is passed. It would need to be changed, if it is to be of any use. Let the minister take the committee into his confidence and tell it why the change was made. Did the fishermen come from the east and from the west and do like the British Columbia milk producers and the associated growers of the Okanagan and Fraser valleys, respectively? Did they rush down on the ministry after the big meeting in Regina which was held in July or about the first of August, at the time of the international wheat congress, which was to be followed by a big meeting in Toronto? We are told that they even rough drafted the bill, and pretty nearly put a gun at the head of the government demanding that their draft become law. That is as far as they could go. What I want to know is this: When the proposals left the hands of those gentlemen, did they expect a bill like this? I am sure there are many features in this bill about which they never dreamed. Of course I do not suppose they care very much about the supplementary features, so long as they, personally, are not affected. I will say, however, that some features they did want do not appear in the bill. Could we have even a hint from the minister as to whether or not certain pooling amendments were to be made it would be encouraging. Perhaps he has given a hint, but at times his hints are so terribly wide and capable of so many interpretations that we do not know what to make of them. Then, I am to believe this is the same bill which was forecast. Will the minister tell us why a marketing bill was forecast in the speech from the throne and then a bill brought down which is just about as much unlike a proper marketing bill as anything could be? Did the lumbermen also, the men who are getting out saw logs and fence posts and telephone poles come down here like they did from Chilliwack and the Fraser river demanding that the natural products—dairy and fruit—in which they are interested be inserted in this bill? The only reason this bill, this uncanny freak marketing bill is brought down is to get through the next election. That is what it looks like. Why not let it go to the agriculture committee and let us get out of here with a much better bill. I told this house some time ago that there was going to be a little political jamboree in Saskatchewan about next month and I do not want to be fooling around here at that time, but it looks as if I will be if further delay continues. I know, Mr. Chairman, that that is not a valid reason in itself, but I think it will appeal to every member present, especially those from Ontario, who are in the same fix. The only dif-

ference is that they have not so far to go as I have. The minister should take the committee into his confidence, and tell us why this change. Or, if he says he cannot, I shall not bother him further.

I think the Minister of Pensions, whom I see looking pleasantly at me, spoke on behalf of this bill and reminded the house that it was not strictly an agricultural baby and therefore we had no right to claim that it should go exclusively to the agriculture committee, although he was fair enough to admit that it was predominantly an agricultural bill. I think he was wanting to go back to the maritimes with this bill as a life saver, and they need a life saver badly down there. I do not know why the Minister of the Interior would want this bill particularly, unless it is that he did not get any federal assistance for his Turtle mountain park, but maybe there will be something for that before the session is over. Anyway I ask the Minister of Agriculture to tell the committee why this extraordinary change was made, and if he shows signs of getting up I will sit down; if he does not, I will continue.

Natural products! Why, Mr. Chairman, it is an orphan, this bill. It is nobody's in particular; it is everybody's in general, and it is no wonder it is having the experience it is having right now. What did I call it just now? A quadra-headed monstrosity. Is it any wonder the government has difficulty in presenting this baby to the world? The best veterinary doctor in the world will be required about the time parturition takes place. There will have to be a surgical operation that may endanger the marketing baby, but it will have to be done to save the mother. That is exactly what this bill is for, to save the mother, or the father, or whatever you like to call the government. It is difficult to give birth to anything with four heads, and we want an explanation why three of them cannot be decapitated, and leave the fourth to be dealt with properly in the bill. I will retire now in favour of the minister and maybe have something more to say afterwards.

Mr. GRAY: This afternoon, Mr. Chairman—

Mr. MOTHERWELL: Hold on a minute. I think the minister should answer my questions.

Mr. WEIR (Melfort): First, as to why this bill has not been submitted to the agriculture committee, I think that has been made clear on more than one occasion.

[Mr. Motherwell.]

Mr. MOTHERWELL: Clear as mud.

Mr. WEIR (Melfort): The second question was whether this bill was based on the statement made in the speech from the throne. It is, and in addition to agricultural products the bill includes the products of the sea, the lakes and the forests. I think those are the questions that were raised, Mr. Chairman.

Mr. MOTHERWELL: The minister didn't say anything about the surgical operation on the three heads too many, or trying to give birth to a freak with four heads. He didn't say why three should not be decapitated and leave the bill something like what it should be. What will the farmers in this house say regarding this many headed monster when they go back home? Go over the bill and you will at least see that we have something to instal in the museum. I think the government should be properly and heartily ashamed of themselves, for they had the advantage of a precedent—about twenty-five other marketing bills all over the world, including the British act, and I invite them now to quote one act that in the least resembles this critter here. It is not to be found in the heavens above, the waters below nor indeed anywhere else. If the government does not want to follow or avoid precedent, let them at least present something that is reasonable, workable, and sensible.

Where is the Minister of Marine? I wonder that he is not up on his hind legs telling us why he wants this bill. Or the Minister of Mines. Somebody should move an amendment to this thing that minerals be included. Then what would the government say? They have just as much right to put minerals in as some of the things we find in this bill. Possibly it was thought that one life saver was enough, and since the Minister of the Interior was brought into this bill, there was no need for them both.

But look how illogical this bill is. Of all the harebrained, rattle brained bills in creation, I never saw the like of it—and yet I supported it on the second reading. You see, Mr. Chairman, the position I am in. I have got to rake the blooming thing over again with the aid of the minister, to make something decent and effective out of the bill because I voted for the second reading. Let the government take the breeching straps off the Minister of Agriculture and give him freedom to do what he likes with this bill, and we will make a real worth while bill out of it before it leaves this house at prorogation. That is my belief or I would not have

voted for the second reading. If I had thought that the bill was going to go through in the shape it was when introduced, I would have nailed it right there. But because I believed that there was a small modicum of horse sense in this government and that we could cooperate in making this a real bill—and we have had no cooperation from the minister yet—or his colleagues either. I have to partially appear as joint father to this abnormal bill, and that is why I am interested in making something out of it; but the government wont let me. They are only the adopted father anyhow. It is the fruit growers and the milk producers of British Columbia who are the real father of it. The government are only the foster father. I do not know exactly what I am unless it is the nurse for the occasion or something like that and whose services seem unacceptable. But putting all joking aside, believing as I do that there was sufficient good in the bill, a nucleus around which something worth while might be built, I voted for the second reading in the hope that we could turn out a bill that the government might be proud of and one that the producers of Canada would express their pleasure at. But if you wait and wait until you are crowded and then put it through the way it is, the government will be the laughing stock of the country. If I were looking at it from the political standpoint pure and simple, I would let them hop to it, put it through the way it is. Then if the bill would not do the producers much good, it certainly would not do the government any good. Look at the government's glaring incapacity to handle this bill after they have produced it. It is so unnatural for a Tory government to bring forth such a bill that having begotten it they know not how to care for it. They do not know the best committee to send it to. Will the Minister of Justice get up like the splendid gentleman he is and tell us why this bill has not been sent to the agriculture committee? Why should this whole house be worried about it? I am sure the professional members would be glad to get rid of it.

Mr. SPENCE: Why do you worry the committee so long?

Mr. MOTHERWELL: I heard a voice. I think it was the hon. member for Parkdale.

Mr. SPENCE: Mr. Chairman, is there any order in the committee? Is the hon. gentleman to be allowed to repeat his speech over and over again? I think he should be called to order. He has his conglomeration together—

Mr. MOTHERWELL: If the hon. gentleman is blathering at me I will remind him that the records will show that I did not raise my voice the last day this bill was before the house except for about five words as an interjection. I did not say one word this afternoon.

Mr. SPENCE: Why did you support the first reading of the bill and then block it night after night?

Mr. MOTHERWELL: Have I spoken forty minutes?

Mr. SPENCE: You have spoken forty minutes ten times over and you did not say anything any time.

Mr. MOTHERWELL: The hon. gentleman is ballyhooing about nothing. If he wants to get up perhaps I had better sit down and give him a chance. Oh, I see as usual he has nothing to say except interrupt.

Mr. SPENCE: The fellow behind you will take up another half hour.

Mr. GRAY: Mr. Chairman, this afternoon we were able to wring from the minister the admission that there were certain compulsory features in this bill. He was asked a direct question by my right hon. leader some days ago, which question was repeated on Friday by the hon. member for Ontario and again this afternoon. While admitting that there were compulsory features in the bill, the minister tried to qualify that admission. Hon. members opposite have tried to create the impression throughout Canada that this is a co-operative measure but we on this side are beginning to get used to measures of this kind. Last year we had a bill introduced by the Minister of Railways for the compulsory co-operation of the two railroads and now we have this bill. While the cooperation features have been emphasized by hon. gentlemen opposite, by the minister in particular, as were the cooperative features of the railway bill, I have taken the trouble to look over the bill—I did this rather hurriedly and I may have missed something—to find out what compulsory features there are and what powers are to be given to the boards to be created. I am against the compulsory features to be found in the bill. Like my right hon. leader I am quite prepared to support any cooperative measures but in looking over the bill I find there are but very few. On the other hand, I think I shall be able to prove to the satisfaction of the minister and the committee that there are twenty-three separate clauses entailing compulsion and giving the boards

the power to compel persons engaged in the production or marketing of natural products to do certain things. This bill is far from being the cooperative measure which the minister would lead us to believe it is; in reality it is a compulsory measure from beginning to end. I shall list the compulsory features, and as I do not want to be unfair, the minister may correct me if I am wrong in my interpretations of the sections. The compulsory features are as follows:

1. To compel the time of marketing of the regulated product.

2. To compel the place of marketing of the regulated product.

3. To compel the manner of distribution of the regulated product.

4. To compel the quality of the regulated product that is to be sold.

5. To compel the quantity of the regulated product that shall be marketed.

6. To prohibit, if necessary, the marketing of the regulated product.

7. To compel any or all persons engaged in the production or marketing of the regulated product to register their names with the board.

8. To compel any or all persons engaged in the production or marketing of the regulated product to register their addresses with the board.

9. To compel any or all persons engaged in the production or marketing of the regulated product to register their occupations with the board. For years we have boasted in this country of our freedom but have we reached the stage where we shall have to go around with a number on our back?

Mr. WEIR (Melfort): I believe the hon. member stated that he is in favour of orderly marketing. Would he state how he expects to have orderly or controlled marketing without control or compulsion?

Mr. GRAY: I did not suggest that I was in favour of orderly marketing; I said I was in favour of cooperative marketing. I repeat, are we Canadians who have boasted of our freedom to go around with numbers on our backs?

10. To compel any or all persons engaged in the production or marketing of the regulated product to obtain licences from the board.

11. To compel full information relating to the production and marketing of the natural products from the persons engaged therein.

12. To compel periodic returns to be made by persons engaged in the production and marketing of the regulated product.

[Mr. Gray.]

13. To compel the production and inspection of the books of the persons engaged in the production and marketing of the regulated product.

14. To compel the persons engaged in the production and marketing of the regulated product to be subjected to the inspection of their premises by persons to be appointed by the board. The Minister of Justice will bear me out when I say that under certain acts power is given to make inspections but that power is never granted without certain preliminaries. An information must be laid before a magistrate or whoever is empowered to issue a warrant; certain officers are issued writs of assistance, but we recognize that these are extraordinary powers. This bill will give not only the power to inspect the books of a person producing or marketing the regulated product, but the power to persons to be appointed by this board to go upon premises to inspect as they see fit.

15. To compel those engaged in the production or marketing of the regulated product to pay for services rendered in respect to all or any portion of the regulated product.

16. To compel those engaged in the production or marketing of the regulated product to pay any necessary expenditure authorized under the act.

17. To compel those engaged in the production or marketing of the regulated product to pay after legal action, on the evidence of the chief executive officer alone, the amount found due for necessary expenditure.

18. To compel those engaged in the production or marketing of the regulated product to be subjected to the powers of a local board created under the act.

19. To compel restriction of any product imported into Canada as defined by this act.

20. To compel restriction of the exporting of any product as defined by this act.

21. To compel the licensing of importers of the regulated product as defined by this act.

22. To compel those engaged in the production or marketing of the regulated product to be confronted with the possibility of expropriation of their real property—and I expressly say that this is not a power that should be given under this act.

23. To compel by the force of law, as an indictable offence, anyone engaged in the production or marketing of the regulated product to appear before a magistrate or a judge, such magistrate or judge being clothed with the authority under this act to fine up to $5,000, or to imprison for a term of two years, anyone considered to be acting to the detriment or against the interests of the public.

I ask the minister, as I ask this house: Is this a cooperative or is it a compulsory measure? And I ask the minister, further, whether he has been quite fair to the committee. After having been asked several times he finally admitted that there were certain compulsory features and he even qualified that as Hansard to-morrow will show. I have outlined, perhaps not all but certainly a large number of the compulsory features contained in this bill, and I ask him whether he will now qualify as he did this afternoon the compulsory features of Bill 51.

Mr. WEIR (Melfort): The hon. member (Mr. Gray) has stated in the first place that the committee was able to wring from me the admission that there was compulsion in this bill, and he also says that my statement was made with qualifications. It was made with qualifications, because I believe it is possible to have set up under this bill schemes that will not call for compulsion in any such way as the hon. member has suggested. My hon. friend gets back again to this old cry: Are we to be compelled to do this? Are we to lose our liberty? He says that he agrees entirely with his leader. If he does, his leader, if I remember correctly, moved an amendment and stated in his address that hon. gentlemen opposite would be in favour of orderly marketing. Well, I ask the hon. member this very simple question: How can we have orderly marketing without control or some degree of compulsion? Therein I believe lies the secret of the basis of opposition of hon. gentlemen opposite. They wish to give the impression that in orderly marketing, as they advocate it, there would be no control, which would be typical of their attitude towards this bill and their attitude towards agriculture during the last three years and prior to that time, that is to say, something innocuous, something which they could talk about but which really did not mean very much.

The right hon. gentleman opposite dwelt at length on Magna Charta and the Bill of Rights and then registered strong objection against anything compulsory. Surely we all agree that the very basis of our civilization, of our constitution and of our national life is compulsory cooperation, because we believe that in that compulsory cooperation we have our fullest freedom. Cooperation means working together, forced to work together.

Mr. YOUNG: Forced—the chain gang.

Mr. WEIR (Melfort): The hon. member for Weyburn interrupts. The hon. member for Ontario invited us to take a world tour, visiting all the countries in the world. I presume that, as is usual in world tours, we should see some superficial things in each country, but we should miss the real picture. I would invite the hon. member for Weyburn and the hon. member for Ontario to visit some of our own local districts and give them, as they have given here, an orderly marketing bill accompanied by a copy of Magna Charta and the Bill of Rights. Here may I say in passing that I take second place to no one in my respect for what is meant by Magna Charta and the Bill of Rights, but I do object to hon. gentlemen on any side of the house twisting Magna Charta and the Bill of Rights and freedom and liberty into all conceivable contorted shapes and forms to meet a political argument which they think will result in gain for them in garnering a few votes throughout the country. May I say to the hon. member who took his seat a moment ago (Mr. Gray), and who resents complusion so much, that I think he will admit that someone on his behalf was compelled to register his birth, that he was compelled to take out a licence when he got married, and that someone will have to obtain a death certificate after he dies.

Mr. MITCHELL: I did not intend to speak on the bill at all; I felt it was a measure that affected farmers more particularly. However, I will try to give an unbiassed slant on it. I do not believe that any political party has all the virtues, and if those responsible for the passing of the bill are wrong in their judgment they will suffer for it.

I think the principle of the bill is in conformity with world forces and world opinion. In my opinion it is an attempt to change anarchy into orderliness in the marketing of the products of the country. I was very much amused when one of the previous speakers this evening, a member of the legal profession, discussed the question of compulsion. I do not know of any group in the community that has benefited more by compulsion than the lawyers. They have complete control of the situation. They insist that their own managers or business agents sitting on the bench shall judge the actions of their fellow men. I am not objecting to that, but if they find this system of organization so beneficial, why not give the farmers the same right and opportunities to enjoy it themselves? There are in the house many men of the medical profession, and I think we will all agree that the compulsory cooperation which governs the medical and surgical callings is necessary and in line

with a developing civilization; I do not think there is any argument against it. Anyone who has had experience with the medical profession—and I have had some so far as health and hospital boards in the city from which I come are concerned—knows the value of that cooperation.

I appreciate the position of the Liberal party and I believe the attitude they are taking is one of sound Liberalism. I thought there was only one Liberal on this side and that was the hon. member for Ontario. They are somewhat in the same position as King Canute who thought he could tell the ocean to roll back, but the ocean told him to roll back. I realize the implications of what we are confronted with at the moment. It is all right to talk about economic nationalism, but we see its implications as exemplified only yesterday in the attitudes of the Japanese and British governments. We are confronted with the problem of science as expressed in mass production in agriculture and in industry. What kind of compulsory cooperation does the Liberal party want? Do they want the kind of compulsory cooperation from the viewpoint of the farmer as expressed in the attitude of the Imperial Tobacco Company? That is rugged individualism; that is free competition where a private concern can overnight cut the rates to the producer almost in half, and he has not a word to say about the matter.

I believe the state has some responsibility in this regard; it has some responsibility in protecting the weaker against the stronger, and that is why I believe this legislation is sound. Some people have spoken of education. At one time education was in a state of anarchy; we had an individual educational system run on the basis of rugged individualism, and the state in developing civilization insisted that every boy and girl in the community should have an education so that they could take their place in the agricultural, commercial and intellectual life of the nation. I am a comparatively young man and I know something of the opposition which came from the class to which I belong, the working class, to compulsory education. It is only at this late date that they take it more or less as we take the water coming from the tap, just the same as I think the people of this country will take legislation of this kind twenty-five years from now.

I am frank to admit that the keystone of the arch in connection with this matter is the ability of the farmer himself to catch the vision of legislation of this description. If he is willing to go along and cooperate; if he is willing to take a leaf out of the book, may I say, of the lawyers, the doctors and the trade unionists, he can receive the benefit which, in my judgment, is his due. That is why I feel that I must support the principle of this bill. I did not expect to speak so long but I could go on almost indefinitely and show the committee where cooperation has raised the whole level of our national life and civilization.

Take the question of diphtheria in the city from which I come, where we have practically wiped out that disease; where we have the lowest death rate from tuberculosis in the British Empire with the exception of New Zealand. Take workmen's compensation, minimum wage laws, old age pensions, the contemplated compulsory unemployment insurance that has the sympathetic consideration of every party in this house. I want to challenge any government to go back to the old days and to tell the people that such legislation should be wiped out; they know that notwithstanding the fact it took years of agitation and education to prove their soundness, once they were established we would never do away with them. I think in regard to this legislation we shall not go back either. I believe it is absolutely sound.

While I do not agree with all the clauses in the bill I think we should get down to business and get this legislation out of the way. It is votes that count and it will be on the statute books of the country whether we like it or not. I hope sincerely the farmers will react in the proper spirit to the bill; I hope they will change their attitude and cooperate the same as the trade unionists and the lawyers have done. I believe I said this the other night when I suggested that the bill should go to the agriculture committee: it is a fundamental in the life of the Anglo-Saxon people that coercion in its very essence breeds its own destruction, and I should like to see a cooperative approach to the implications of this legislation because frankly, I am sure, ten years from now we shall be very glad that we passed it.

Mr. MACKENZIE KING: I think the hon. member who has just spoken has, by his reference to the subject of education, indicated perhaps more clearly than anyone else has done thus far, wherein the difference exists between the point of view of hon. gentlemen on this side and that of himself and hon. gentlemen opposite. The liberal party in this or any other country has never opposed government action with respect to education.

As a matter of fact, most of the educational laws in the old land and in this owe their origin very largely to Liberal governments.

Some hon. MEMBERS: Oh, oh.

Mr. MACKENZIE KING: It is a matter of history. Hon. members may laugh, but it is true.

The point, however, I wish to make is this: It is one thing to have laws respecting education enacted at the instance of duly constituted legislative bodies, and quite another thing to allow education to be regulated by self interested groups wherever they may happen to be located, apart altogether from representative institutions. If my hon. friend has read this bill with care, he will see that the essence of it is not legislation by this parliament to regulate or promote orderly marketing but to give authority to self interested groups themselves quite apart from any legislative body, to make regulations which are to be regarded as and have the force of laws and which are to apply to the community as a whole. It is to give to a self interested group power to create offences, not to leave that power in the hands of parliament which exists for the purpose of protecting the rights and liberties of the people, but to take it away from parliament and to put it into the hands of self interested groups. Parliament is to make the penalties in advance, the self interested groups are to designate the offences to which the penalties are to apply. When hon. members on this side speak of voluntary cooperation, they mean that they are ready to further any legislation that will enable voluntary groups to come together in order to carry out in an orderly way the business of marketing or any other business that is in the public interest; that they would be prepared to go whatever lengths this parliament itself may think wise with respect to the regulations that are to govern generally, but that those regulations must be made a part of the law of the land and so enacted as to be known to everyone.

Hon. members opposite keep alluding to my reference to the Magna Charta. I made it designedly; I expected to hear them repeat over and over again: We are being asked to go back to the days of the Magna Charta. But I hope hon. gentlemen will come to realize that in the Magna Charta there is one clause that is the basis of all our rights and freedom, and that is that a man shall not be dispossessed of his rights or property or have his life put in jeopardy except by the judgment of his peers, and by the law of the land. Under this legislation, hon. members opposite propose to make men liable to have their persons imprisoned and their property taken from them, not by the law of the land as hitherto understood, law made by this parliament, but by regulations of self constituted self interested groups that may be successful in drawing up a scheme and having it approved by the governor in council. That is the objection which we are taking to this measure, and I am sure the hon. member for East Hamilton, if he will study this legislation and realize its implications, will discover that it is of a very different order from enactments with respect to education and that far from there being any differences in the point of view of hon. gentlemen on this side and himself with respect to regulations such as are set forth in educational acts, there is no difference whatever.

I agree with the hon. minister when he says that you cannot have regulation at the instance of the state without some element of compulsion. All law implies compulsion. Regulation that is made by this parliament applicable to the country as a whole, which fixes penalties known in advance, penalties determined by this parliament, which is representative of all classes and groups—that kind of regulation I for one am prepared to support if it can be shown to be in the interest of the country generally, and with respect to marketing I believe much of it can be shown to be in the public interest, and to be necessary. But I cannot support a measure that takes away from this parliament altogether and gives to local boards or even to a central board the power to create offences, and which simply permits this parliament to name in advance the penalty that may be attached to offences as so created, to say for example that a man shall be subject to imprisonment for two years and to a fine running up to $5,000, without knowing to what offence that particular penalty is to be made applicable. Equally I cannot support a measure which takes away from this parliament all control over the expenditure necessary in connection with the administration of a law of this kind, and leaves it to bodies not yet formed or to the governor in council to take out of the consolidated revenue of the country whatever amounts they may think necessary therefor. These things undermine the power of parliament and individual liberty. That is the reason why we on this side are opposing the compulsory aspects I have referred to. It is not opposition to regulation for the purpose of orderly marketing; let me make that very clear. Any measure looking towards that end which the ministry may bring in that will set forth reasonable regula-

tions, define offences, and that will be in the nature of a law known to all parts of the country will receive from us cordial approval. It is, however, a very different thing to ask this house to give to one group in British Columbia and to another group in Quebec and to another group in Nova Scotia the right to frame any scheme they please and attach to violations of these several schemes penalties which subject persons to fine and imprisonment. When it comes to creating offences, fixing penalties and generally to the making of laws, then it seems to me it is necessary to have regard for those safeguards that have been made applicable to all representative institutions. The reason we have a franchise act, the reason we have an elections act, the reason we have a secret ballot, and numerous other provisions and safeguards with respect to the election of members of parliament, is to ensure that when legislation is enacted all interested parties will be represented, and that the voice which creates offences and penalties shall be the voice of the people as a whole, not merely the determination of an interested group in a given section or locality. Such legislation as this is subversive entirely of all that parliamentary institutions stand for, and it is to that subversion that we take such strong objection.

Mr. YOUNG: Mr. Chairman, the other day when this bill was before the house the hon. member for Ontario asked the minister if the bill did not provide for compulsory cooperation. It was a simple, direct question, that could have been answered in a single sentence. The minister in his reply talked all around the matter but did not answer the question. Again this evening the hon. member for West Lambton pointed out numerous instances in the bill where compulsion is provided for, and again the minister in his reply did not touch the point.

Mr. WEIR (Melfort): May I interrupt? Twice at least this afternoon I stated very explicity my interpretation of compulsion as embodied in this bill. I resent very much the attempt of the hon. member to leave the impression that I did not.

Mr. YOUNG: I was not in the house this afternoon and do not know what the minister said then. My reference was to what he said Friday afternoon and again this evening. My hon. friend from East Hamilton says that the Liberal party in opposing this bill are in the position of King Canute who thought he could turn back the tide. We do not think we can turn back the tide, but we do not think it necessary to plunge headlong into the tide. And we know that one of the most industrious nations on the face of this earth when they found the tide submerging their land built dykes to hold it back. It is this rising tide—

Mr. MITCHELL: They have a marketing bill too.

Mr. YOUNG: And they are sorry for it. That same nation, I say, built dykes to hold back the tide, and in this country, seeing this movement all over the world and in our own country to invade the rights of our people, to undermine our liberties, it is necessary to join together and, if possible, hold back that tide. I have before me Lord Hewart's book on The New Despotism.

Mr. MACKENZIE (Vancouver): The Prime Minister's favourite.

Mr. YOUNG: The Prime Minister's favourite when he was leader of the opposition. I have no doubt that after the next election he will be quoting from it again.

Mr. LAPOINTE: He will not be here then.

Mr. YOUNG: The book is a protest, written with the idea of pointing out to the people how their liberties are being steadily invaded by a numerous and powerful bureaucracy who seek to make of themselves the one power in the land. Lord Hewart points out that in the old days when a man wished to become a tyrant and deprive the people of their freedom he defied parliament, but later it was discovered that that system did not work, so the would-be usurper adopted the more astute method of using parliament. As Lord Hewart says:

> To this end let him, under parliamentary forms, clothe himself with despotic power, and then, because the forms are parliamentary, defy the law courts.
>
> This course will prove tolerably simple if he can (a) get legislation passed in skeleton form; (b) fill up the gaps with his own rules, orders, and regulations; (c) make it difficult or impossible for parliament to check the said rules, orders and regulations; (d) secure for them the force of statute; (e) make his own decision final; (f) arrange that the fact of his decision shall be conclusive proof of its legality; (g) take power to modify the provisions of statutes; and (h) prevent and avoid any sort of appeal to a court of law.

In reading over that paragraph, Mr. Speaker, and reading this bill I could not but be struck with the idea that whoever drafted that bill had those rules distinctly in his mind, for all of them except one is embodied in this bill, and that one is provided for in another way.

Let us look at them: "(a) get legislation passed in skeleton form." This bill is a skeleton bill. It does not tell how our goods are to be marketed; it provides for the setting up of boards which will devise schemes of their own, those schemes, without submission to the people, will be declared law, and the gaps will be filled in as provided in (b), These are to be the laws, the rules, orders and regulations of these various boards of schemers who are going to have control of our marketing. Then, "(c) make it difficult or impossible for parliament to check the said rules, orders and regulations." Once this legislation is in effect; once these various groups of schemers come together with their schemes and have them made into law, neither this parliament nor any provincial legislature nor the producers nor the consumers of this country will have any effective control over the actions of these boards or schemers. Then, "(d) secure for them the force of statute." That is provided in section 6, which says:

(1) When a scheme has been approved by the governor in council, the minister shall give public notice thereof in the Canada Gazette.

(2) The provisions of the scheme as approved shall have the force of law, and the local board shall, from the date of the publication of the said notice of approval, be a body politic and corporate.

Yes, their decisions have the force of law. Then, "(e) make his own decision final." We have that in section 7:

(1) Every local board established hereunder shall continue to have authority to exercise its powers until such time as the governor in council withdraws such authority.

Then, "(f) arrange that the fact of his decision shall be conclusive proof of its legality." Turning to section 4, subsection 4, we find:

Any charge made by the board pursuant to a scheme shall be a debt due to the board and shall be recoverable as such by legal action, and a certificate under the hand of a chief executive officer shall be prima facie evidence that the amount stated therein is due.

All that is necessary for these boards to do, if they wish to make a charge or levy on anybody, is to say, "You owe us so much money"—and that is evidence that they owe it. Then, "(g) take power to modify the provisions of statutes." Yes—look at section 12. It may have the power to modify the Customs Act to forbid the entrance of goods into Canada and to forbid the export of goods from Canada. This power, one which properly belongs to parliament, is to be transferred to these boards over which we will have no control. Then, the last one, "(h) prevent and avoid any sort of appeal to a court of law." I do not see anything in this bill making provision for that, but in the legislation submitted to the various provincial legislatures and which is to work in conjunction with this legislation such a provision was made. I believe some of the provinces have refused to pass that clause.

The other day in his speech to the house the minister used these words—and he used them twice on the same day—"I maintain that nowhere in this bill is restriction of production mentioned." No, it is not mentioned but it is involved just the same. As the hon. member for Ontario said the other day, when the spider invited the fly into his parlour he did not mention the web, but the web was there. When these various schemes are in effect and the schemers are in control, the minister knows perfectly well that many of the schemes submitted to him will involve restriction of production. I ask him now if he will stand up in his place and promise to put into this bill a clause providing that under no condition shall a scheme involving restriction of production be approved. Will the minister promise that?

Mr. WEIR (Melfort): There is nothing in the powers given to the board which states that they can control production or restrict production. That should be sufficient.

Mr. YOUNG: The minister will not answer the question. The spider will say to the fly, "I never said there was a web here to catch you in."

Mr. WEIR (Melfort): May I interrupt the hon. member? I am afraid that if I am to accept the interpretations of hon. members opposite I must admit I do not understand the English language as well as some of them. What I did say was that no power was given to the board to restrict production. I do not see how anything could be more definite than that. If they have no power to restrict production, how can they restrict it?

Mr. YOUNG: They can refuse a licence to any man, and there are some groups—

Mr. WEIR (Melfort): Not for production.

Mr. VALLANCE: The bill says "production."

Mr. WEIR (Melfort): It does not say that there is any licensing of production.

Mr. VALLANCE: The bill refers to production or marketing.

Mr. YOUNG: Subsection (f) of section 4 states that the board shall, subject to the provisions of this act, have power:

(f) to require any or all persons engaged in the production or marketing of the regulated

product to register their names, addresses and occupations with the board, and to obtain a licence from the board, and such licence shall be subject to cancellation by the board for violation of any provision of this act or regulation made thereunder.

If the minister is sincere in what he says, namely that he does not intend that in any way production shall be under restraint, then will he be willing to put a clause in the bill to that effect?

Mr. WEIR (Melfort): The bill as it reads does not give power to any person to restrict production. How can they restrict it, if there is no power to do it?

Mr. YOUNG: It gives power to the various boards to have schemes, and it gives power to the minister to approve of those schemes. And many of those schemes will involve restriction of production.

Mr. WEIR (Melfort): How does the hon. member know that? Why would any group of people ask for a restriction in their scheme when there is no power given them to restrict?

Mr. YOUNG: If the minister states there is no power to be given to restrict, why not put that in the bill? Why not say so? I know of certain groups in this country who are supporting the bill because they think it does give them power to restrict production. If the minister will say it does not give them power they will not support it.

Mr. SPENCE: Name the groups.

Mr. YOUNG: There are lots of them.

An hon. MEMBER: Name them.

Mr. YOUNG: The tobacco growers of Ontario, for one. The principal criticism which has been levelled against this bill by hon. members on this side of the house has been that it invades our personal liberty, the right of the citizen to manage his own business and to dispose of his own product in his own way. The other night the hon. member for Labelle made reference to this point. At page 2727 of Hansard he is reported as having said:

> This legislation opens the way to all sorts of interference with the liberty of the farmer, the gardener, the fruit grower, the dairyman, and the consumer.

But the hon. member for Labelle, strange to say, seemed to be willing to support the bill, because at page 2725 he said:

> Now, admittedly, parliament is unable to do that work; governments are unable to do it.

And therefore he thinks it is all right to turn it over to these boards. But what right has parliament, any more than these boards, to interfere with the private affairs of an individual? Surely there are some limits to the powers of parliament. Parliaments were never set up to manage our private affairs; they were never established to interfere with our personal liberties. Parliaments were set up to preserve our liberties. It would be well if some one would state clearly just how far parliament should be allowed to go in invading the rights of the people. There is a limit to what parliament can do or should be permitted to do. To a much greater extent should there be a limit to what these irresponsible boards may be permitted to do.

It has been stated by hon. members opposite and also hon. members to my left that people might prefer economic freedom to political freedom. I ask those members this question: Is it economic freedom to own a farm and not be allowed to cultivate it in your own way? Is it economic freedom to raise a crop and not be allowed to market it without the consent of somebody else? Is it economic freedom, when you have raised a crop or produced an article and have found a market for it, to have some meddlesome board come along and say to you, "You cannot sell it in the market"? Is that economic freedom? Is that the kind of freedom contemplated in this bill. The most casual reading of history seems to reveal that those nations which have preferred economic freedom to political freedom and which have been willing to sacrifice political freedom for a little more personal comfort or ease for the time being have not enjoyed economic freedom. They have not enjoyed the prosperity which they hoped to get, and for which they were willing to sell their liberties. The most prosperous nations are those which have been most insistent upon maintaining their political liberties—always and everywhere. Esau sold his birthright for a mess of pottage, but Esau collected the pottage in advance. Those who would sacrifice their liberty, their freedom and the right to manage their own business for what is promised in this bill are not likely to collect their pottage at all. But since hon. gentlemen opposite say the people are willing to sell their freedom and liberty for what they hope to gain out of this legislation, let us examine it and see if they are likely to get an extra five cents per bushel or one cent per pound for their produce.

Look at the cooperatives we have had in Canada. In one of his speeches on this bill the minister stated that the reason a great many cooperatives failed was that they had an unfortunate way of choosing their managers; that managers had been frequently chosen because of their ability to sell the idea

to the people, their ability to put over the propaganada to get themselves elected to office, but that they were not qualified to market the product. I wish to ask if the method provided in this bill for choosing the leaders in the scheme, or the schemers who are to control marketing, is more likely to succeed, and if by that method we are more likely to get good managers than under the old method. How are they to be chosen? If we turn to clauses (g) and (h) of subsection 5, section 5, we find that every scheme as approved shall state,—

(g) the number of persons who shall comprise the local board and the basis of their selection;

(h) the name and number of the local board; the place and address of the head office; the chief executive officers; the quorum required to approve any order or resolution; and how vacancies are to be filled;

(i) any other information required by regulation or by the minister.

These schemers are to have it in their own hands to say who shall be the executive officers, where they shall be located, how they shall be elected, and how they shall be replaced. I ask you, as sensible men, is that a system of choosing executives that is any more likely to succeed than the system in the old cooperative of choosing the most popular man to manage its affairs? I think you will agree with me that it is not. Some of our cooperatives have succeeded; some have not. Speaking broadly, not only in Canada but throughout the world I think that this holds true, that wherever a cooperative has centred its energies and attention on narrowing the spread between the price the consumer pays and the price the producer receives, it has met with a measure of success, and has rendered a service both to its own members and to the public at large. But wherever it has centred its attention on trying to regulate supply to demand, on trying to influence the market, it has met with failure, not only in this country but everywhere. That has been the experience of the world in the matter of wheat, coffee, rubber, copper, hogs and sugar. Wherever it has tried to have this thing that you call regulating the flow to the market, trying to feed the market as it will take it, trying to regulate supply to demand, it has failed. But that is the principle involved in this bill.

The hon. member for Peace River the other day stated I think in very clear and honest language the reason why many members are supporting this bill. He said: "There is not a cooperative organization in Canada that can get control of the market without government assistance." That is the idea. They want to get control of the market, and they are coming here and asking the government through this bill to give them some means of getting that control. But the whole history of cooperation is that wherever cooperatives have launched out on that principle they have failed, and here they are likely to do so again.

I close by quoting just one sentence from Emerson's Essay on Wealth:

The basis of political economy is non- interference. The only safe rule is found in the self-adjusting meter of demand and supply. Do not legislate. Meddle, and you snap the sinews with your sumptuary laws. Give no bounties, make equal laws, secure life and property, and yon need not give alms.

Mr. TURNBULL: I do not think there is any person in this house who would pay a greater tribute to liberty and the desire for liberty than I would. We are all agreed that liberty is a desirable quality and an essential of our lives, but I think perhaps we disagree to some extent on the definition of liberty. The cave man with his club had individualism and liberty carried to the extreme. The savage living alone on an island with no person to interrupt him can have perfect liberty, but it has been part of the essence of British civilization that all Britishers, and others outside of Britishers, retain for themselves the liberty to subordinate their individual desires or liberty to the common welfare of the nation, and through the common welfare to secure their own individual welfare as well. That is the history of civilization. Civilization in the large is the uniting of sensible people to achieve a purpose for the good of all, and so it is that the individual must at times subordinate his liberty and his own particular views. You would never get common action if each fellow wanted to go his own way. You would not be able to construct these buildings if each workman wanted to build them his own way.

Mr. MOTHERWELL: Or you would not be able to get this bill through.

Mr. TURNBULL: We shall not be able to get this bill through if my hon. friend continues to spend the time on it that he did this afternoon and this evening. If we will agree that liberty is a desirable thing, and that when our individual liberty encroaches upon the rights and privileges of others it ceases to be liberty and becomes licence, then I think it will be agreed that this bill does not at all encroach on liberty as civilized man defines it although it may encroach on liberty as the savage defines it. I am quite sure that the producers in the province of Saskatchewan

and elsewhere will be quite pleased to hear of the reference my hon. friend from Weyburn made to them as schemers.

Mr. YOUNG: The schemes of the bill.

Mr. MACKENZIE KING: The bill itself uses that term.

Mr. TURNBULL: My right hon. friend the leader of the opposition has need to worry too. He represents a Saskatchewan constituency. The bill talks about schemes, but not about schemers in the way my hon. friend referred to them. There are no "schemers," with a sneer in it, in this bill, but there are schemers, with a sneer in it, in the language of my hon. friend from Weyburn and that of my right hon. friend the leader of the opposition. I know producers in Saskatchewan who would have been very glad if this government had been able to prohibit imports last winter. I know that when a cargo of butter left New Zealand for Halifax or Vancouver a number of wires came to Ottawa to see if there was not some way to prevent that cargo from landing and undercutting the prices of Saskatchewan butter and Ontario and Alberta butter. There were producers in our province who would have been very glad indeed had there been some provision in our laws that would have prevented such an import at some particular time, and there may be other occasions of the same kind.

It is true it is a principle of Magna Charta that no man can be dispossessed of his property or imprisoned without due process of law; nor can he be under this bill. No man can be dispossessed of his property under this bill by anybody, and no man can be imprisoned under this bill without due process of law. But parliament is making laws.

The leader of the opposition is very much worried about boards making regulations the breach of which will make a man guilty of an offence and liable to punishment. When did he get the idea that that was wrong? Let him read the wheat board act, to which I referred when the debate on the second reading was in progress, and see if he did not by that act give power to an unnamed board to make regulations which nobody would know about any more than they know about these, and to have power conferred upon them by provincial governments as well as by the federal government to make regulations, the breach of which was an offence and made the offenders liable to punishment. Nobody thought anything very serious the matter with that because regulations are necessary. They have to be provided if you are to have a marketing bill at all. My right hon. friend agrees that regulations are necessary, and he says parliament must make them; but when he was providing for the marketing of only one commodity, wheat, he did not get his regulations through parliament. Now when we are trying to pass a bill to provide for the marketing of all natural products he wants all the regulations brought down and submitted to parliament and approved before the plans are laid at all. That seems to be carrying opposition and the Magna Charta and things of that kind to an absurdity. Any good thing can be carried to an absurdity. Take this idea of compulsion. There is not a single step that any member of this house takes from the time he gets up till the time he goes to bed when he is not subject to compulsion and regulation, and nobody worries about it. We are compelled and regulated and we allow our individual freedom to be restricted for the common good of all. When my hon. friend is out on the road with his car he drives on the right hand side of the road. Why? So that he will not do any injury to anybody else. And under this bill when my hon. friends go out to market their products they are liable to a certain amount of regulation and control so as not to injure the products of anybody else. That is all. There is not a shadow of difference between the two.

This bill does not put it into the hands of anybody to put anybody else in gaol. This bill does not provide for action being taken against any person without due process of law. It does provide that regulations are to be made and I assume that those regulations have been made known to those who are concerned. If they have not, provision can be made by way of amendment that they shall be made known. As far as I am concerned, if there is any danger of people not knowing what the regulations are, that should be fixed up. All this bill says is that boards may meet and may lay plans and regulations before a minister responsible to parliament. If the minister approves of those regulations and they are approved by the governor in council, which is responsible to government, then they have the force of law. There is nothing in this bill that is new or startling and it contains no feature different from those contained in our legislation for the past fifty years. Why should there be all this opposition? When these regulations have the force of law there is the provision that if anyone breaks a regulation he can be summoned before a competent court. If he is

found guilty of a breach of a regulation he may be convicted and put in prison. But that is not done by a board or a group of schemers, as the hon. member for Weyburn calls them; it is done by the court before which the man is tried. His offence is that he has broken a regulation which is the law of the land and these regulations have been made the law of the land by this parliament.

Mr. MACKENZIE (Vancouver): They have not been drawn up yet.

Mr. TURNBULL: That does not make any difference. The regulations with respect to the wheat board were not drawn up; the regulations with respect to fifty other acts which appear on our statute books were not drawn up until after the bills were passed and enacted into law. This bill provides for regulations but they will not be drawn up until after it is passed. Acts have been passed by every parliament and by the provincial legislatures containing regulations which were not drawn up and put into force until the bills were passed. The same is to be done in this case, and if there are violations, people will be prosecuted and if found guilty, fined. That is all there is; it is no different from other legislation.

Mr. MACKENZIE KING: The hon. member who has just taken his seat has been distinguishing liberty from license, and he says the way in which he distinguishes between the two is that true liberty consists in subordinating the particular interest to the common welfare. I think I am reporting my hon. friend correctly when I say that. I agree with that as a means of securing liberty, namely that liberty is attained by subordinating particular interests to the general. But it is because I believe in that definition of liberty and wish to preserve liberty that I oppose this legislation. It seeks to subordinate the general interest to the particular, instead of subordinating the particular interest to the general. The general interest is kept uppermost through the institution of parliament, and the enactment of laws by parliament, laws which are known and applicable to all as a consequence of parliaments' action. What this bill proposes to do is to have the laws made not by parliament but by self interested, occupational groups in different localities throughout the country.

Mr. TURNBULL: No.

Mr. MACKENZE KING: By these local boards wherever they may be constituted.

Mr. TURNBULL: Approved by governor in council.

Mr. MACKENZIE KING: My hon. friend comes back to "approved by governor in council." Once this House of Commons ceases to function or once this parliament is prorogued, no one will be the wiser as to what is or is to be the law of the land, if it is to be left in the hands of the governor in council.

Mr. TURNBULL: Can my right hon. friend distinguish between the method by which these regulations are to be made law with the approval of the governor in council and the regulations in connection with the Canada wheat board? In that case the regulations were drawn up by somebody outside of parliament but they were approved by the governor in council.

Mr. MACKENZIE KING: There may be other cases which violate the principle for which I am contending at the moment, but two wrongs do not make a right. We are not going to get any farther ahead with our legislation in this country by taking as precedents those things which are wrong and which are departures from the correct method. I think we should follow what is generally accepted as the method of parliament.

Mr. WEIR (Melfort): Is the right hon. gentleman stating that he believes the power given to the wheat board was wrong?

Mr. MACKENZIE KING: I am not discussing the wheat board, I am discussing this legislation. I think the chairman could very properly call me to order if I began to discuss the wheat board. I am discussing the bill before the committee at the present time. I repeat that my objection lies in the very statement which the hon. member for Regina, sitting at present beside the minister, asserted a moment ago, namely, that you can preserve liberty only as you subject particular interests to the general interest, and you begin to destroy liberty the moment you subject the general interest to the particular interest.

My hon. friend from Regina, who has sought to ridicule me for my reference to the Magna Charta, did not quote correctly the clause in that document which he purported to be quoting. The Magna Charta, in the clause to which I referred, does not speak of due process of law, it speaks of the law of the land, an entirely different thing. With all due deference, I would inform my hon. friend, who is a lawyer, that the law of the land is something which is supposed to be generally known and generally applicable. It is not something which must be discovered; it is

something which is in existence in the statute books and which he who runs may read. It is not vague and indistinct, it is clear as day.

There is one point I should like to make very clear. Where power to make regulations is given to the governor in council by a statute passed by this parliament those regulations apply to the country as a whole. You do not have the governor in council making one set of regulations which govern in Saint John one day, a different set of regulations to govern in Quebec another day, another set for Winnipeg the next day, and a further set for Kamloops the following day. But that is exactly the kind of thing to be done under this legislation. It is not to be the law of the land, made by the representatives of the people as a whole and to stand till repealed by parliament; it is to be the law as made by particular self interested groups in any locality, at any time. It is not, as respects law making, representation by population, but representation by occupation. That is indefensible legislation. I repeat that by this legislation we are not enacting what is to be the law of the land; all we are doing is as respects certain offences to fix penalties which may go as far as a fine of $5,000 or imprisonment for a term of two years, and leaving it to unknown bodies to determine what is to be the nature of the offence. To what offence is that penalty to attach? Not a single hon. member in the House of Commons can say; the minister himself cannot say, and the governor in council cannot say. The board which is to be called a marketing board will not be able to say. A self interested group of producers in a given community are to say what is to constitute the offence under the scheme which they draw up and submit to the government. That is the offence to which this House of Commons is to attach a penalty before the offence itself is known.

Some hon. MEMBERS: No.

Mr. MACKENZIE KING: Hon. gentlemen opposite who say "no" cannot have read the bill.

Mr. STIRLING: Certainly they have read the bill.

Mr. LAPOINTE: Read the bill.

Mr. STIRLING: Where do you find that?

Mr. ERNST: What section, if you please?

Mr. MACKENZIE KING: My hon. friends will find them if they read the bill.

Mr. STIRLING: I cannot find them.

Mr. MACKENZIE KING: I will take them up when we come to that stage in committee.

[Mr. Mackenzie King.]

The CHAIRMAN (Mr. Gobeil): I would remind the committee that we are on the title of the bill.

Mr. MACKENZIE KING: Section 12 reads:

(1) The governor in council may, by order or regulation published in the Canada Gazette, restrict the importation into Canada of any natural product which enters Canada in competition with a regulated product, and the governor in council shall have power to make regulations to provide for the licensing by the minister of importers, or otherwise to enforce any order made hereunder.

(2) The governor in council may, by order or regulation published in the Canada Gazette—

(a) provide that any natural product shall not be exported from Canada without a licence;

(b) prescribe the forms of such licences, the terms and conditions thereof and the persons who shall have authority to issue the same;

(c) impose penalties for breach of any such order or regulation or of any licence issued thereunder, and, generally, make such provision or authorize the doing of such acts or things as may in his discretion be deemed necessary or expedient for giving full effect to any orders, regulations or licences made or issued hereunder.

That broad section gives to the governor in council the power to impose any penalties they please with respect to offences which they create. That is going very far. Incidentally those powers are taken away from parliament. But let me take hon. members to two clauses further on, to No. 14:

Every person who fails to comply with any order or determination of the board or of a local board or any regulation of the governor in council shall be guilty of an offence and punishable on summary conviction with a fine of not less than $25 and not more than $500, or to imprisonment not exceeding three months, or to both fine and imprisonment.

Then go a step further and look at that part of the act which deals with investigations conducted under its provisions and which gives power to the investigating boards to determine offences; one finds that:

Every person who, to the detriment or against the interest of the public, charges, receives or attempts to receive any spread which is excessive or results in undue enhancement of prices or otherwise restrains or injures trade or commerce in the regulated product, shall be guilty of an indictable offence and liable to a penalty not exceeding $5,000 or to two years' imprisonment, or, if a corporation, to a penalty not exceeding $10,000.

Yet there is not set forth in this bill what is to be considered detrimental to the public interests, or an excessive spread etc. It is the committee, which has to do with the investigating and which is appointed by the minister that it is to be the body to determine what is to constitute this particular offence which is against the public interest.

Mr. TURNBULL: The offence is set out in the section.

Mr. MACKENZIE KING: The general statement is made that there must not be an enhancement of prices, and so on. But if my hon. friend will read the previous provisions he will see that section 19 provides for determination by the committee:

A committee may after investigation as hereinbefore provided determine, in connection with any operation occurring in the course of marketing, adaptation for sale, processing or conversion of the regulated product, what spread is detrimental to or against the interest of the public in that it is excessive or results in undue enhancement of prices or otherwise restrains or injures trade or commerce in the regulated product.

In other words, one committee may be investigating in British Columbia and find a spread of ten per cent to be a violation of the act, while another committee in some other province may find a spread of seven per cent and another committee somewhere else a spread of three per cent. The committee in each instance is to determine what percentage is to constitute the offence; but we as a legislative body, representing the general wellbeing of society, the community as a whole, the general interest, are to have no say as to that; we are supposed to fix the penalty and then to leave it to yet unknown bodies to determine the offence to which the penalty is to be attached.

Mr. ERNST: Who tries the offender?

Mr. MACKENZIE KING: The courts try the offender, certainly; but I do not believe that my hon. friend or any other member of this house can cite an instance where the courts may be called upon to try a man, say, next week, for some offence which even the courts themselves at the present time are unable to find set forth in any statute or regulation made by a legislative body.

Mr. ERNST: What about the Combines Investigation Act?

Mr. MACKENZIE KING: The Combines Investigation Act specifically designates what are offences and contains many safeguards, not to be found in this measure, with respect to the protection of innocent parties.

Mr. TURNBULL: The court will not try the offender until after the passing of the regulations.

Mr. MACKENZIE KING: But a regulation to be made by a local board in some locality, with respect to the production, purchase, sale or offering for sale of a particular class of commodities, is very different from a known condition constituting an offence that forms part of the law of the land, and I submit that no man should be obliged to have both his life and his property placed in jeopardy except by the law of the land and the judgment of his peers.

Hon. members are elected to parliament not by any single self interested group but by the people as a whole. That is the only way in which the rights of the community as a whole can be safeguarded. Are we to establish the precedent of giving to self interested groups, which happen in this instance to be producers, the right to determine what is to be an offence, simply on the basis that a majority in that particular group wish to have such and such a thing made an offence? Yet that is what we are doing if we enact this legislation. No regard is to be had for the consumers in the district, for the professional classes, those in other industries or for the business classes. I do not think that my hon. friend from East Hamilton could have appreciated the significance of the legislation, because after all probably no class is more in need of protection of its rights by parliament than the working classes; if we are to allow self interested producing groups to determine how much of any product is to be produced, how much is to be sold, at what price it is to be sold, and the like, I hesitate to say to what extent the position of the working classes as consumers may come to be affected.

One has to look at this legislation as it stands. It is not an answer for the minister to say, "We do not intend these things". In the first place, the bill does not say who the minister is, or who he is to be; and if it did say that would not be a guarantee that any minister would continue indefinitely in the position. When we pass legislation we must pass it with regard to any condition which may arise. As the Prime Minister has frequently said, it is not the intention in the mind of the person who may be seeking to put through an enactment that is of importance, but what the law is, as expressed. And that is the exception which we take to this legislation; the law makes possible all kinds of restriction of production and trade, and infringement of personal rights and rights of property. The hon. member from Regina is right when he says that the particular interest must be made subject to the general; otherwise you destroy individual liberty. I say that this bill by its provisions asserts the supremacy of particular interests over the general interest, and it is the business of this parliament, and particularly of

this House of Commons, to protect the general interest whenever it is brought into conflict with particular interests.

Mr. PICKEL: No one doubts the necessity for the passage of a measure of this kind. The producer to-day is up against it, it matters not what he produces. The market is controlled by monopolies and it is absolutely impossible for the farmer or the primary producer to get his just share of the proceeds of what he produces. We hear a good deal from across the floor about compulsion. One hon. member opposite cited twenty-two or twenty-three instances of compulsion in the bill. Well, I defy any member of this house to point his finger to one single clause in which there is compulsion—

Some hon. MEMBERS: Oh, oh.

Mr. PICKEL: Don't laugh so suddenly—until it is asked for. It is the regulated product—

Mr. YOUNG: Asked for by whom?

Mr. PICKEL: By the producer.

Mr. VALLANCE: The minister may.

Mr. PICKEL: The producers apply to the minister or the board, asking that such and such a product shall be regulated.

Mr. MACKENZIE (Vancouver): Read section 9.

Mr. PICKEL: You have to use compulsion. Use your common sense if you have any. You cannot frame a bill without compulsion; the middlemen and packers are so strongly entrenched in their position that you have to use force. The minister distinctly stated when he introduced the bill, and has said several times since, that he did not think this was a perfect bill. I do not think so myself. Perhaps in a year or two you may not know the bill by reason of the amendments that may be found necessary. But let us make a beginning and try to help the primary producer; he is entitled to it. You talk about compulsion. Now, I have been interested in two milk strikes in my section. In both instances forty per cent of the producers continued to ship. We lost our point. After the strike was over the milk men in Montreal cut off a number of those who refused to ship. The producers have in their own hands the control of the whole marketing of the primary products of this country, and the object of this bill is to aid the primary producers who cannot bring about orderly marketing except by compulsion.

Mr. SANDERSON: My hon. friend said that there was no compulsion in the bill.

[Mr. Mackenzie King.]

Mr. TURNBULL: No, he did not.

Mr. PICKEL: I did not say anything of the kind; I said that there was no compulsion until it was asked for. It is simply a measure of cooperation. A representative number of producers ask that the board do so and so, and then there is compulsion, as there should be.

Mr. VENIOT: Coercion.

Mr. SPEAKMAN: The arguments advanced to-night seem to centre around three main points: first, the question of compulsion; second, the attack upon individual liberty, and, third, the subversive doctrine, according to my hon. friends to my right, of subordinating the general weal to that of individual self interested groups. I believe I am quoting the leader of the opposition fairly correctly.

So far as compulsion is concerned the discussion reminds me of what was said about this bill by an outstanding representative of agriculture. I asked him what he thought of the bill and he said: "Your opinion of the bill will depend entirely upon your appreciation of the conditions which led up to the bill. If you believe that the producers are at the present time receiving a fair deal and a fair price; that they as individuals in this organized country and organized world are able to maintain a decent standard of living and maintain their rights upon a level equal to that of others, then you with some others will believe that this bill is unnecessary. But if you understand the situation and if you realize, as many of us do, that the producer at present and for years past has been selling under compulsion, not compulsion brought into force by his own will or that of other producers, but compulsion imposed upon him by those who now control his marketing, you will approve the bill." I think I am familiar with the situation, and to my mind the choice does not lie between freedom of marketing and compulsion. The choice is as to who shall exert compulsion upon that particular industry, and the producers as a whole, so far as I know them, would regard it as far more beneficial if they by their own cooperative action, by their own majority choice, could supply the degree of compulsion necessary to be exercised, not upon the general public but upon the members of their own particular class of producers—because that is as far as the compulsion goes. They would prefer that to selling as they do to-day, to accepting under compulsion any price offered without the slightest voice as to what they shall receive and, as during past years, to selling at a price

that does not meet the cost of production, let alone permit them to maintain a decent standard of living. There is the choice.

This is not a free world, nor is there much individual liberty left. Individual liberty! It reminds me of an illustration given in the house a little while ago. Drive on any highway and you may have your choice—or rather, you have not your choice because the majority has ruled. But putting a hypothetical proposition, you might have your choice between majority rule and individual liberty which would disregard all stop and go signs, disregard the rules of the road, disregard all by-laws and claim individual liberty to drive exactly as you like. How long would the liberty of anyone last, and how long could the highways be used? It is only under a certain degree of regulation, of control, of subordination of a recalcitrant minority to a majority, that we can live, do business in this world, carry on civilization at all. This bill proposes that.

As to the subordination of the common weal to self interested groups, it is my profound conviction that the groups referred to in this bill have been subordinated long enough to the general weal and that it is time they took their place on an equality with other organized bodies in this country.

Miss MACPHAIL: For the general weal.

Mr. SPEAKMAN: Yes. It is for the general weal that no one class in this country, producers or others, should, through the individual liberty which they are supposed to possess, through their unfettered right of self competition and self destruction, be on a plane far below that occupied by the rest of the people in the dominion. Look where you will and what do you find? You find that this individual liberty is to-day confined, practically speaking, to the one class of producer; that they go out into a business world in which almost every other element is organized; they meet in their daily marketing operations a completely organized trade which deals in their product. Liberty? Liberty to starve! Liberty to cut each others' throats! That sort of liberty should, I believe, be taken away, not by the choice of other people but by the common agreement of the majority of those who are suffering under such conditions. In that way I believe, all being put on an equality, the common weal will be best assured, not by the subordinating of one class of a community to the others as is the case to-day.

Then we are told of the danger of leaving to those self interested groups the right of imposing regulations. I have touched partly on that, but in what degree do those regulations apply? On whom are they imposed? As I read the bill, the regulations are, by the producers themselves in that class of goods, self imposed upon the members of their own society, their own profession or calling, and not upon the general public. Who has the better right? It has been accepted throughout every civlized country that where a minority is recalcitrant, where it disagrees with the majority, where it determines to go its own way no matter at what cost, where it is destroying the prosperity of the majority, that majority has and exercises the right in almost every calling to impose restrictions and control and to force the minority to bow to the will of the majority.

Mention has been made of the cooperatives, and reasons for their failures have been advanced. It has been suggested that they have failed largely because of lack of leadership. I have had some association with cooperatives' and to my mind, while that is a weakness, the main rock upon which they have split has been the recalcitrant minority in their own ranks, willing to take advantage of the organization without incurring any responsibility. To my mind any bill which does not give the producers the power and right through majority action to control their own minority, to impose upon them restrictions, to force them to comply with the regulations passed for the good of that class, is not worth the paper it is written on. That is why the cooperatives are asking for the bill; were they not insisting on some form of compulsion it would not be applied.

Mr. YOUNG: What about section 9 of the bill?

Mr. SPEAKMAN: Were this a perfect country and were all classes of producers in a position to organize intelligently and well, in my opinion this measure would not be necessary. But when you look over this country and see in many communities the helpless despairing producers who have ceased to be able to come together and act intelligently for themselves, then the necessity of such a measure at this time is apparent. This clause may have to deal with conditions beyond the control of any group of producers. It may have to deal with interprovincial matters, or with export trade.

Mr. YOUNG: Where is the majority provided for in section 9?

Mr. SPEAKMAN: There is no majority. That is what I say, that there are parts of

the producing class so disorganized, so scattered and helpless, as to be unable at the present time to organize and manage their own affairs. To those the state owes the responsibility of doing it for them until they are set upon their feet.

Mr. NEILL: Could the hon. member suggest one of these industries?

Mr. SPEAKMAN: I think those classes are well known to every hon. member of this house who is acquainted with the problem of the producers. I am not speaking at length to-night; I am simply stating these principles on the first clause, and I think the truth of what I say will be acknowledged by those familiar with the situation. I may say at once that this bill does not fully satisfy me—

Mr. CASGRAIN: Why do you vote for it? What do you want?

Mr. SPEAKMAN: I am going to say what I believe are the three points that require further clarification and strengthening. First, I am not certain, although I believe it is implied in it, that under the bill as at present drafted the members of any body of producers will have the right to gather together in cooperative pools, pooling profits, proceeds and products, and acting as a cooperative pool has always wished and attempted to act. Second, I believe that these pools when fully organized should have the right and power to set up their selling agency to deal with their own product.

Mr. YOUNG: Regardless of the marketing board?

Mr. SPEAKMAN: Under the direction of the marketing board—"the selling agency authorized by the marketing board shall be that appointed by the producers," if you want exact language. Third, I would like to see section 9 or some other section clarified to make it certain that the board itself can establish or itself act as the agency to dispose of the exportable surplus. All these conditions may be involved in the amendments to be brought down, but as I do not know what the amendments are I strongly support and ask the minister to give sympathetic consideration to the suggestion made by the hon. member for Comox-Alberni (Mr. Neill), that these amendments be placed on Hansard or in the votes and proceedings as soon as possible in order that all of us who are vitally interested may be able to study, understand and apply them to the conditions and the particular clause that is sought to be amended. I could say more but I think it better to say it as each section of the bill is being considered.

[Mr. Speakman.]

The desire to protect the consumer is not confined to hon. gentlemen on my right, but to my mind there is nothing in this bill which will jeopardize the consumer. The consumer, if I may say so, has exploited the farmer for a long time, in the sense of having been able to buy things for less than they are worth. But it is not the consumer against whom this bill is aimed; it is aimed largely against those who stand between the producer and the consumer. It was stated by some economist in the United States something like a year ago when some provision was suggested for assisting agriculture in that country that anything which would double the price of farm products would benefit some twenty million people there and penalize to an equal degree some eighty to one hundred million people. To my mind that economist betrayed his ignorance of conditions as they affect farm products, because this must be remembered: that no matter whether the price of an article to the producer be high or low, the cost of transportation, of handling, of processing, all the multitudinous costs which come between the producer and the consumer, remain practically the same. You could double the average price received by the average farmer for most of his products and it would not add twenty per cent to the cost to the consumer, and in any case that twenty per cent would be far more than offset by the stimulation given to business by the added purchasing power in the hands of the producers. These are merely arbitrary figures; I do not know that this measure can double prices to farmers, but the suggestion that any increase in price to the farmers is passed on in the same degree and ratio to the consumer is one which will not and cannot stand up under any study of the situation.

Mr. RINFRET: There is a point about this bill that gives it a particular character. It has been voted for by a large majority on second reading, but practically every member who spoke in favour of it made it clear that he would not approve the bill on the third reading unless it were considerably improved in committee. Although we have now been in committee on the bill for a couple of days, I notice that no improvement has been suggested from the government side, but on the contrary a determined conviction is manifested to support the bill as it stands both as to principle and as to details.

Mr. ERNST: We are still only on the title.

Mr. RINFRET: If it is to go on as at present I am very much disquieted. Every hon. member who has stood up on the other

side has made it clear that in his opinion the bill is all right, and has made no suggestion of any change. I have been in the house for some years, but have never seen a bill receive so large a majority and yet be so hedged about with reservations during the discussion on second reading.

At first sight there is something attractive about the bill, but when one begins to study it he finds himself very much in doubt as to how it will work out in practice. I am afraid that some, like the hon. member for Melville, who voted for the bill on second reading, were unduly optimistic as to its possible effect. I strongly support the stand taken to-night by the hon. member for Melville, that instead of the bill being dealt with in committee of the whole house it should have been sent to the agriculture committee, where it could have been discussed more intimately as to detail, and where witnesses could be brought and experts heard. I am very much afraid that if we keep at it in committee of the whole we are not going to get very far. In fact to be frank I am not too sure that the government are anxious to have this bill adopted at all. I think if they could leave with the country the impression that they had tried to do something wonderful for the farmers and could at the same time save the farmer from the very doubtful advantage of the bill as it is drafted now, the government would have achieved their aim. If instead of protecting the farmer we merely wanted to play politics with this measure, I would advise my friends on this side to let it pass and let the people learn for themselves what is involved in it. I am sure if innumerable small local boards were to be set up in this country to decide what quantity and quality of a product should be marketed and at what price, and if farmers who did not follow the ruling of that board were to be fined or gaoled, the days of this government would be numbered.

The peculiarity about this measure is that at first sight it is very attractive, a fact which I believe explains the large number of votes it received on second reading. But the more you read it and the more you read about it the more you are convinced that it is a pure delusion, and that the putting into operation of an act founded upon this bill as at present drafted would indeed be nefarious for the very people it is supposed to help. As has been properly said, there is no doubt that the whole discussion to-day has centered upon the question whether or not this bill constitutes compulsion or free cooperation.

I think everything can be improved, even a very bad bill brought down by this government; but at the same time the principle of compulsion is so closely linked with practically every section of the bill that we cannot get away from it. We might improve upon it by saying that the poor farmer might be gaoled for two months instead of three, or be subjected to a fine of $100 instead of $200. But we cannot get away from the main principle of the bill as detailed section after section. We cannot forget that this is a bill to institute not only a central board but a large number of small boards throughout the country, and that those boards may force the farmer to market his products in a certain way, whether he likes it or not. If he does not do what he is told he will suffer the penalty.

We heard the argument a moment ago that there is a certain degree of compulsion in everything we do in life. Perhaps there is, but it is a very poor argument to say that because in everything we do we have to be subject to compulsion in certain respects, every compulsory measure must be adopted at once. On the contrary, if in the ordinary acts of life we cannot escape from compulsion, by all means let us try to prevent it where it can be prevented.

Of course I expected, as my right hon. leader expected, that his reference to Magna Charta would not be well received in all quarters. I do not see why it should not have been. The Magna Charta is the well known basis of justice in British countries. But what we do say is that the people who have objected to any reference to Magna Charta have tried to connect this bill either with King Canute or with the cave men of the early days in our history. I submit in all frankness that the Magna Charta, that document which has stretched over many years of history, is more closely connected with this bill than is good old King Canute of legendary days.

Mr. SPEAKMAN: It was a reference to the opposition and not to the bill.

Mr. RINFRET: That only shows that every speaker has a way of expressing himself which should be respected by listeners who are to become speakers a little later. I submit that unless the government does not wish the bill to pass, which is possible, it is a great mistake to try to put it through the committee of the whole house. My own opinion about the bill is that the only improvement of which it is capable is that it be dropped altogether. But if the government wishes the house to adopt the bill it should do as my optimistic friend from Melville has suggested, namely, send it to the committee on agriculture. There it could be

discussed in a more intimate way, and possibly experts in the matter could be heard. Some improvements might be made there, but my impression is becoming stronger every moment that this legislation is framed to impress the farmers with the idea that the government is contemplating something wonderful for them, and that the very bad Liberal party does not want them to do it. That is my impression. But once the bill is studied very strong objection can be taken to it by many sections of the country.

I have in my hand a letter addressed to the Prime Minister from the Montreal board of trade. Possibly this document has been read before in the house.

An hon. MEMBER: It was read.

Mr. RINFRET: Surely the Montreal board of trade is not a body inimical to the present government. Neither is it a body which would be inimical to any legislation of this type if it had the good qualities the government pretends it has. Yet the board of trade of Montreal has objected to the bill. I must say that the arguments presented in this letter are strong, and the government would do well to heed them and give them much attention. The letter has been read and I shall not read it again to-night. I refer to it only to show that the opposition we are offering to this measure is not restricted to the Liberal party, and that in fact this is a very contentious measure. I could name many other instances of opposition to it.

The minister has taken a strange stand in connection with this bill. As I said before—and I insist upon this point—the bill was passed on second reading on the very very precise agreement that it would be modified and improved upon in committee. It is now in committee, and yet no hon. member opposite, whether he be a private member or a government member, has suggested the least change; on the contrary the government has given the impression that it wants the bill to pass in its present form. Even the mandate from the house given on the second reading is contrary to the attitude taken by the minister. He is being asked for information. I do not wish to be discourteous to him, and I will agree that he is an able man and an able minister, but I must say that his replies have been very terse and concise. He says either, "Well, I gave it yesterday" or "You will have it tomorrow." The result is that no information is forthcoming at the moment. Frankly I voted against the measure because I do not believe in any board trying to impose its decisions upon the population, but I am quite willing in a most open minded fashion to discuss the measure. May I ask the minister this question: Is it the intention of the government to change or materially to improve the bill? The minister might as well inform the committee, because the mandate from the house given on second reading was not that the bill had been approved as drafted. Practically every speaker who approved of it said that it needed considerable changing. Some changes have been suggested by the hon. member for Comox-Alberni, and no doubt others will be forthcoming. So far, however, we have not heard from the government. As my genial friend has said, we have reached only the short title, but, the government would help the progress of the bill if it would indicate that it contemplates making changes as we proceed in committee. Every hon. member opposite who has spoken on the measure has tried to defend it in its present form, and has not indicated the least inclination to listen to amendments or changes. Personally I believe the government could deal best with the bill by accepting the suggestion of the hon. member for Melville, namely to have the committee rise and refer the measure to the committee on agriculture. However, if it is going to be before the whole house we are entitled to know to what extent the government is disposed to amend and to improve upon the bill—if it is capable of improvement, which I very much doubt.

Mr. TURNBULL: If the hon. member for St. James would let us make some progress we might reach some of the amendments when the particular clauses are under discussion. I am not making this statement because I know anything in particular about the matter but because the other evening the minister said he had amendments to propose which he would offer as the clauses were reached. For that reason I say that as soon as we reach the clauses in question we shall no doubt hear the amendments.

I was encouraged to speak again because I have had the privilege of having the right hon. gentleman opposite at least in partial agreement with me, and I hope before we have finished we shall reach full agreement. I quite agree that liberty does not consist in the subordination of the general to the particular, but I disagree with him if he thinks this bill is a subordination of the general to the particular because it is the majority, or at least a representative body of producers, who ask for a scheme; consequently when we

ask the minority to subordinate themselves to the majority we are asking the particular to be subordinated to the general.

Mr. MACKENZIE KING: May I interrupt my hon. friend? He is still confining his remarks solely to the producers. These regulations are going to affect all classes in the community. He leaves out of account altogether those who do not happen to belong to the particular group of producers who are making the regulations that are to be the law.

Mr. TURNBULL: I think I shall be able to convince my right hon. friend that the other part of the population is not forgotten, but before I deal with that let me refer to my right hon. friend's statement that there might be one set of regulations for Nova Scotia, another for Kamloops, another for Winnipeg, and that it would not be generally known all over the country what the regulations were with regard to each particular place. I do not know any particular reason why they should be known all over the country. But the boundaries of the area in which the regulations are in force are known, because the boundaries of the area in which the local board operates are known, and all the people of that area will require to know will be the regulations that affect them in that particular area. The regulations might be different in different parts of the country.

The board itself does not make the regulations; it is finally the governor in council that makes them. The board suggests a plan and may suggest regulations; the deputy minister and any officer of the department may suggest regulations, but they are finally arrived at because they are approved by the minister and by the governor in council just the same as the regulations in connection with a hundred other acts on the statute books become law when they are prepared and have been approved by the governor in council. Only then do they become law. That is where the general interests of the people are taken care of. The government is responsible to parliament; parliament represents the whole body of the people, and since the government approves these regulations, the general interests of the people are taken care of.

If it were possible it might be advisable to have all the regulations approved by parliament, but we are not living under the same conditions in this country as they are in England. In the first place the boards are apparently going to exercise powers conferred upon them by provincial legislation. If the regulations are to be approved by parliament before they are put in force, not only by the dominion parliament, which is not in session all the time, but by provincial assemblies in order to comply with the provisions of the British North America Act as to legislative jurisdiction, it would be impracticable, no matter how desirable it might be, to have parliamentary approval. We are dealing not with theories but with conditions, and in this parliament we are trying to make theories meet the practical conditions that prevail from day to day.

Mr. FRASER (Northumberland): Do I understand the hon. member to say that a majority of the producers had requested this bill and were behind it?

Mr. TURNBULL: No. I said the producers would propose a plan or scheme.

Mr. FRASER (Northumberland): May I put my question in another way? Is it the assumption of the government that a majority of the producers approve of this bill or want it?

Mr. TURNBULL: My own personal belief is that they do, but when it comes to putting the bill into operation with regard to any regulated product the proposal for the regulation comes from the producers, and unless it comes from a representative body of producers there is no scheme.

Mr. MACKENZIE (Vancouver): Except under section 9.

Mr. TURNBULL: Except under section 9, which is for an emergency.

Mr. FRASER (Northumberland): May I say to the hon. member on behalf of the apple growers of Ontario, particularly of my riding, that they do not approve of this bill?

Mr. TURNBULL: If the apple growers of Canada do not approve of the bill and do not want to come under its operation they will not ask that a plan be put into effect; consequently they will not come under its operation, except under section 9, as my hon. friend from Vancouver points out, which is there for emergency purposes.

Mr. GRAY: Where is there any mention of emergency in section 9?

Mr. TURNBULL: It was stated by the Minister of Agriculture when discussing the bill that that was its purpose.

Mr. VALLANCE: Is he going to administer this?

Mr. TURNBULL: I say that the minister speaking for the government and sponsoring the bill made the statement that section 9 was intended to cover an emergency.

Mr. MACKENZIE (Vancouver): Under the interpretation clause, minister means "the minister designated by the governor in council to administer this act."

Mr. TURNBULL: I am speaking of the minister whose name appears as sponsoring the bill, and who is sponsoring the bill at the present moment.

Through the necessity of the approval of these regulations by the governor in council, the governor in council representing the whole people of this dominion, the general interest is safeguarded. The individual group asks for the plan, but it is the governor in council who has to approve of the plan on behalf of the whole population of the country, and in that way the general interest is looked after. I represent a city constituency where the people are what I might call consumers, but I do not know of any consumers in this country who are not also producers, nor of any producers who are not also consumers. I do not see how you can divide them arbitrarily into two separate bodies.

Mr. MACKENZIE (Vancouver): May I point out that under section 14 the offence consists of failure to comply not only with any order or determination of the board or of a local board, but with any regulation of the governor in council.

Mr. ERNST: The regulations of the local board must be confirmed by the governor in council.

Mr. TURNBULL: All these orders of the local board, as I have stated already five times, must be approved by the governor in council, and the local board does not make orders except to approve of them.

So far as the producers and consumers are concerned I think it is agreed among us all that in times of depression the price of primary products falls away further than does the price of secondary products, that there is in times of depression a greater spread between the prices of primary and secondary products, and the extent of that spread contributes very largely to the depression. Now, in order to get rid of depression I think governments should apply themselves to narrowing as much as possible the spread between the low price of primary products and the relatively higher prices of secondary products, although the prices of both are low. As you narrow the spread you restore the balance between secondary and primary products, and as you restore that balance you help to bring about a normal use of purchasing power and the resumption of normal operations. Things are out of gear at the moment because the price of the primary product is lower in comparison with the price of the secondary product than it is in normal times.

Mr. YOUNG: But this bill will not help that.

Mr. TURNBULL: I am not so sure of that. If this bill does raise the price of primary products it helps to narrow that spread. But if as the hon. member for Weyburn suggests this bill will not raise the price of primary products, why the holler about the consumer?

Mr. YOUNG: I said it would not narrow the spread.

Mr. TURNBULL: I hope that the leader of the opposition is now in agreement with me that the general interest is taken care of by the governor in council.

Mr. MACKENZIE KING: I am very far from being in agreement with my hon. friend on that particular phase. May I say to him that I think it is important that the house should realize that this measure goes very much farther than simply dealing with agricultural products. I for one believe that the design back of the measure relates quite as much to the application of its provisions later on to commodities other than agricultural products as it does to the position of the agricultural producer at the present time.

Mr. ERNST: May I say, I hope so.

Mr. MACKENZIE KING: I submit that this committee should consider every possible use that could be made of this measure. If I may, I would like to illustrate one of the many ways in which this measure may react so far as producers themselves are concerned. As the Minister of Agriculture pointed out this evening, the term "natural product" has not been given the wide interpretation which it has in this bill without some reason on the part of the ministry. If the ministry had in mind only the interests of the farmers, they would have brought in a bill confined to the agricultural industry and to the producers in the agricultural industry. Here is the definition of natural product:

> "Natural product" means any product of agriculture or of the forest, sea, lake or river, and any article of food or drink wholly or partly manufactured or derived from any such product;

The other day I cited a number of articles which might be manufactured from these primary products. In fact all manufactures

are nothing more than primary products processed on a few stages. The scope of this measure is broad enough to take in practically most of the necessaries that are manufactured in the country as well as those that are produced. I see my hon. friend shaking his head, but there is in the interpretation clause of the bill the definition of a natural product.

Mr. SPEAKMAN: Articles of food or drink.

Mr. MACKENZIE KING: Anything in that line; that covers most everything that people eat or drink.

Mr. ERNST: Oh, no.

Mr. MACKENZIE KING: It covers articles of food or drink; it includes everything that can be eaten or drunk. That is apart altogether from the primary products of agriculture. Also our attention has been directed almost exclusively to these local boards but the bill states that the governor in council—I think this is probably the main feature of the measure—may restrict the importation into Canada of any natural product which enters Canada in competition with a regulated product. The governor in council may say that any natural product shall not be exported from Canada without licence. Has the committee stopped to consider the effect of that? Apart from all these other powers we have been discussing, it means that the governor in council may by order in council restrict the importation or exportation of different classes of commodities into or out of the country. For the last day or two I have been directing attention to dispatches which have appeared in the press to the effect that so far as the British parliament and the dominions are concerned there is to be an effort made to restrict trade within the British empire. We have a good many instances in this parliament of legislation already enacted whereby it is made clear that as far as this government in Ottawa is concerned it intends to see that the channels of trade are kept as exclusively as possible within the British empire. In other words, it is not so much trade in general in which the present administration is interested, as it is trade within the British empire. Under this legislation, if the government wished to force the channels of trade more or less exclusively within the British empire, they could pass an order in council the provisions of which would have that effect. First of all, they could restrict the exportation of agricultural or other products to any country other than countries of the British empire. I wonder if the agriculturists of this country realize that under this legislation an order in council could be passed any day making it impossible for them to ship their products to countries other than those the government itself wished; that they would have to ship their products only to the countries named by the governor in council. They may allege that may not be the intention, but the power is there. Similarly with respect to the importation of goods other than agricultural products, the farmers of this country may find that many of these may be permitted to come in only from countries of the British empire; that they cannot be brought in from other countries with which we may wish to trade in order to sell our agricultural products abroad. The very life and existence of agriculture may depend upon trade with those very countries. That to my mind is the most serious part of this measure, and as yet it has scarcely been alluded to. I submit that there is not an hon. member of the house who would not wish to see legislation enacted which was certain to help the farming industry. But if an act is to be placed upon the statutes of this country which gives to the governor in council the power to prevent the export of any natural product to any country other than that which the governor in council determines, and to prevent the bringing into this country of any commodities which may come under the provisions of this bill, then I think the farming communities of this country may find if this bill goes through in its present form they have been hamstrung, to use a well understood expression.

Mr. STITT (Selkirk): What position are they in to-day?

Mr. MACKENZIE KING: That is no answer. Why make their position worse? That is the objection I take to the manner in which hon. gentlemen opposite are legislating.

Mr. BURY: On a point of order; the right hon. gentleman is discussing section 12 of the bill. Much of the discussion this afternoon might be held to be out of order but it might come within the wide terms of section 4. The things being discussed by the right hon. gentleman come expressly within section 12.

Mr. MACKENZIE KING: Might I say to my hon. friend that I am discussing section 1. Does he realize that the committee is on section 1, which reads:

This act may be cited as The Natural Products Marketing Act, 1934.

Mr. BURY: I thought we were on section 4.

Mr. MACKENZIE KING: We are on section 1.

Mr. ERNST: Does the right hon. gentleman object to the title?

Mr. MACKENZIE KING: I do object to the title as I think it is a misnomer altogether. I do not think it is an act to assist marketing; I think it is an act to restrict trade; I think it is an act to prohibit trade; I think it is an act to limit production, and an act to create monopolies in certain natural products; I think it is an act to restrict sales; I think it is an act which serves to bring about restrictions in several other ways. Hon. gentlemen opposite seem to be going on the theory that because the farmers and producers have been having a hard time they are going to be satisfied with any legislation brought down regardless altogether of its character or provisions. They talk about this bill as though it was one the farmers wished for. May I say that there is a great difference between a marketing bill which will do something effective in the interests of the farming communities and a measure under which the governor in council can do almost anything it pleases with respect to the limiting of production and the restriction of trade. That is a phase of this measure which I think should be considered very carefully by the committee before they proceed further with the enactment of these provisions.

Mr. LUCHKOVICH: Notwithstanding everything that has been said with regard to the curtailment of liberty and constitutionalism by the provisions of this bill, I have come to the conclusion that the protagonists of liberty and constitutionalism have laboured very hard to produce an argument only to give birth to a squeaky constitutional mouse.

Mr. MACKENZIE KING: Is my hon. friend referring to himself?

Mr. LUCHKOVICH: The leader of the opposition asks me if I am referring to myself when I speak of liberty—

Mr. MACKENZIE KING: Not liberty.

Mr. LUCHKOVICH: Well, then by the assumption of his parentage to myself the leader of the opposition is neither logical nor natural. When I spoke of the squeaky constitutional mouse I was referring to the squeaky constitutional mouse which he produced when he spoke for two hours the other day. On more than one occasion the leader of the opposition has said that base money drives out good money. If the wheat pool was not one hundred per cent successful I think the reason was the forty-five or fifty per cent who refused to join. If the farmers had joined the wheat pool one hundred per cent I do not think there would have been any argument as to its success. The hon. member for West Lambton was asked by the Minister of Agriculture how we could have orderly marketing without some degree of compulsion. He said that he did not say he was in favour of orderly marketing, that he was in favour of cooperative marketing. How in the world can you have cooperative marketing without orderly marketing? The hon. member is absolutely inconsistent in that position. I am not averse to some form of compulsion. It is not possible to have a marketing bill, whether that bill be introduced by the member for Melfort or by the member for Melville, without embodying in it a measure of compulsion. In my opinion the only liberty that is being interfered with here is the liberty of small minorities to oppress and enslave the community as a whole; there is no question in my mind about that. Liberty is really the greatest good of the greatest number.

Reference has been made to-day to the system of education in this country, and it has been said that we have a good system owing to the past policies of the Liberal government. Well, I have been educated in schools directed by ministers of education who were both Democratic and Republican, Conservative and Liberal, and I think that the courses in education which have been carried on in this country have been fairly well conducted whether under one government or the other. But there is a phase of the system of education which I would bring to the attention of the house and that is compulsion—compulsory education. I was a teacher once, and I know that in the Education Act there is a section which makes it compulsory for all children between the ages of seven and fifteen to attend school. Parents by the dozen have often come and asked me to allow their children to stay at home during the harvest or at other times for five or six weeks, and some have stayed at home in spite of the fact that I wanted them to attend. The result was that the Department of Education had them up before a justice of the peace and they were obliged to pay a fine. And this is done whether the Minister of Education is Liberal or Conservative or United Farmer. I do not think that these arguments in regard to liberty have anything at all to do with this bill. When hon. members bring up this ques-

tion of liberty and constitutionalism they remind me of a man sweating very hard to drive an ordinary carpet tack with a sledge hammer or, to use a biblical metaphor, straining at a gnat and swallowing a camel. Undoubtedly the principle involved in this bill is a worthy one and I am quite sure that the farmers of the west, if not all of them at any rate the great majority, are absolutely in favour of that principle, namely, orderly marketing.

Mr. MacINNIS: I listened with much interest to the remarks of the hon. member for St. James, who is not now in his place. The hon. gentleman must have had his ear to the ground; apparently he has realized that the opposition is making a grave mistake in opposing the bill. He very adroitly suggested that they ought to withdraw their opposition and allow the bill to pass. It was exceedingly clever and I compliment him. He even went so far as to intimate, if I understood him, that he would support the bill himself.

I do not know what the attitude of farmers in other parts of Canada may be towards compulsory marketing, but I am satisfied that so far as British Columbia is concerned the dairy farmers and the fruit growers are heartily in favour of a compulsory marketing organization. I think it was in 1926 that the milk producers of the Fraser valley first approached the government of British Columbia for a dairy produce marketing act. Their bill was turned down on that occasion, and again in 1927 they approached the government with a similar measure. My hon. friend from Vancouver Centre was a member of the legislature at the time. They did not pass the bill on that occasion but appointed a commission to investigate the milk producer situation in that province, and that committee reported unanimously in favour of a bill for compulsory marketing and pooling of profits, with the result that the following year, in 1928 or 1929, the legislation was given effect to. However, like all our marketing legislation in Canada—that is, all provincial legislation—it was taken to the courts by a minority who did not wish to come under the bill and that legislation was declared ultra vires. The same happened with the efforts of the fruit growers in regard to their affairs. Last year in the Okanagan the fruit growers, without any legislation at all, took matters in their own hands and by sheer force compelled cooperative marketing.

So far as British Columbia is concerned, some form of compulsory marketing legislation is essential and they must have it. Whether this bill goes far enough or too far I do not know, but I think it would be much better for us to take up the various sections and either allow the government to amend them as we come to them or propose amendments ourselves, as private members, with regard to provisions that are obnoxious to us.

When I hear hon. members talking about individual liberty—well, I was going to say that it gives me a pain in the neck, but that might not be parliamentary. The member for Weyburn says that the farmer should be allowed to cultivate his land in whatever way he likes and to sell his products wherever he likes. But suppose he wished to cultivate it so that it grew nothing but weeds; would the hon. member agree that this was right in relation to the farmer's neighbour? If the state has a right to say that the farmer must not grow weeds on his land, then it has a right to say that he must grow other things and that he must not do certain things that are detrimental to his neighbours. And he may be doing something just as detrimental to other farmers through his marketing policies as in his methods of cultivation. And when I hear Liberals from Quebec talking about liberty, I would ask them—did they ever hear about Bill 28, which compels every organization which proposes to call a public meeting, and issues notice, to obtain the approval of the police before the notice is posted? Of course, that is aimed at people with whose opinions we do not agree, and for that reason I suppose it is all right.

Mr. DUPUIS: May I ask the hon. member whether he knows the difference between liberty and licence?

Mr. MacINNIS: Yes, I know it quite well. Liberty is allowing people to do anything they wish to do in so far as it does not interfere with the welfare of others, in so far as it does not prejudice the interests of the community. I am quite clear with regard to the difference. But my hon. friend will not say that it was licence to call a public meeting, and issue notices with regard to that meeting, without having to hand that notice to the police to see whether they would allow the meeting to be held or not.

Last year Dean Clement of the University of British Columbia was asked to make a report on the fruit marketing situation in that province and this is part of his report. He said:

> Dean Clement claims that ten times too many men are making a living between the growers and the consumers and says several large wealthy jobbing firms are trying to drive wedges into the fruit industry in an effort to gain or retain control. Growers are urged to

stick together and it is stated that the only solution to the present difficulties is one hundred per cent grower control.

You cannot have one hundred per cent fruit growers' control without some compulsion. Our Liberal friends are great on liberty. I am reminded of an item I read in a book by H. N. Brailsford that came out a few years ago, and I am going to quote it in conclusion. This is what he says:

A network of parties, trading associations and newspapers is engaged in propagating this belief in the efficacy of competition. It is instilled into us with such persistency that it avails with the majority to counteract the evidence of daily experience. There are still millions who listen with acquiescence to the defence of the competitive system by the Liberal press and the Liberal party. Yet they must know that this press is mainly, and this party largely, financed by captains of industry who long ago discarded unrestricted competition. In the making of thread and soap, cocoa and chemicals, the great Liberal industrialists have found a more excellent way. In their own business they practice combination, but they still maintain an expensive organization to sustain our belief in the virtues of competition. It is an intelligible form of insurance.

Yes, it is an intelligible form of insurance. For the good of the farmers of the dominion we had better get down to this bill, deal with it clause by clause, bring forward our amendments and then, after it is amended, if it is what we would like it to be, let us vote for it when it comes up for third reading.

Progress reported.

BUSINESS OF THE HOUSE

ASCENSION DAY ADJOURNMENT

Right Hon. R. B. BENNETT (Prime Minister): In 1912 the house was in recess on Ascension Day. In 1913 and 1914 it did not sit on that day. In 1915 and 1916 it was in recess. My information is that on Ascension Day there was no sitting in 1917, 1918, 1919, 1920, 1921, 1922, 1923, 1924, 1925 or 1926. In 1927 the house was in recess. In 1928 and 1929 there was no sitting. In 1930 the house sat on May 29. In 1931 the house sat on Ascension Day, and it will be recalled that there was some protest against its sitting. In 1932 it did not sit, and last year we sat in order that the business might be concluded so that I might attend the conference in London. Under these circumstances my intention is to move to-morrow that when the house adjourns to-morrow, it stand adjourned until Friday at three o'clock.

On motion of Mr. Bennett the house adjourned at 10.56 p.m.

[Mr. MacInnis.]

Wednesday, May 9, 1934

The house met at three o'clock.

PRIVATE BILLS COMMITTEE

Seventh report of the select standing committee on miscellaneous private bills.—Mr. Stinson.

ASCENSION DAY ADJOURNMENT

Right Hon. R. B. BENNETT (Prime Minister) moved:

That when this house adjourns this day it stand adjourned until Friday, May the eleventh, 1934.

Motion agreed to.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

RADIO STATION CKLW

Mr. EULER:

1. Has the radio commission leased station CKLW at Windsor, Ontario?
2. If so, what are the terms of the lease as to time and rental payable?
3. How much time daily will be allotted to the radio commission on this station?
4. Has the radio commission issued, or does it intend to issue, an additional licence in the Border Cities to the owners of CKLW?
5. If so, why is such additional licence issued?
6. Will Columbia chain programs be broadcast over this new station, and does the commission receive any fee for the privilege, and for what amount?
7. Who are the owners of CKLW, and of the new station which is to be established, and what is the proportion of stock owned by each, including the Columbia Broadcasting chain's share, if any?

Mr. BENNETT: With respect to the sixth question I submit to the house that it is not desirable that that question should be answered if the commission is to maintain its efficiency. I think the house will at once see the purpose and reason of my making that observation because in all these matters where the commission makes arrangements with broadcasting stations of either the Columbia or National chain or others for the exchange of programs a statement of the payments made becomes a matter of interest at once to competitors and injures the broadcasting company's opportunities for doing business. I notice that the hon. member for North Waterloo (Mr. Euler) is not present. I thought he was. I shall say nothing further until he is here.

Mr. MACKENZIE KING: Perhaps the question had better stand.

Mr. BENNETT: Yes.

Question stands.

MR. EUGENE LAUZON

Mr. LAFLECHE:

1. Is Eugene Lauzon employed in the Department of National Revenue?
2. If so, did the department receive a complaint from J. D. Gagne, mayor and manufacturer, of Victoriaville, respecting the impoliteness and rudeness of such employee in the discharge of his duties?
3. What is the salary of such employee?
4. What do his expenses amount to?
5. Since what date has he been employed by the Department of National Revenue?
6. Upon whose recommendation was he appointed auditor?

Mr. MATTHEWS:

1. Yes.
2. Yes.
3. $2,640 per annum less ten per cent.
4. Fiscal year 1933-34, $980.81.
5. March 3, 1928.
6. He was appointed by the civil service commission.

QUESTIONS PASSED AS ORDERS FOR RETURNS

ABENAKIS RESERVATION—EXPENDITURES

Mr. BOUCHER:

What amounts were expended in the Abenakis reservation, county of Yamaska, in each of the following years, 1930, 1931, 1932, 1933, in respect of: (a) medical care; (b) hospital costs; (c) relief; (d) for other purposes?

Mr. MURPHY: Return tabled herewith.

LETTER CARRIERS—COMPETITIVE EXAMINATIONS

Mr. DESLAURIERS:

1. Did the civil service commission advertise competitive examinations for the position of letter carrier in the Post Office Department, from June 1, 1931, to May 1, 1934?
2. If examinations were held in respect of such position, on what date were the examinations for the district of Montreal held?

Mr. SAUVE: Return tabled herewith.

MOTION FOR PAPERS

FIRST NARROWS BRIDGE, VANCOUVER

Mr. MUNN:

For a copy of all correspondence between any member of the government, and any other person or persons or corporation, with reference to the application made under the Navigable Waters Protection Act for the construction of the First Narrows bridge at Vancouver, British Columbia.

FINANCIAL LEGISLATION

On the orders of the day:

Hon. IAN MACKENZIE (Vancouver Centre): With respect to the amendments that are to be made to the Dominion Notes Act, the Finance Act, and the Currency Act, may I ask the Prime Minister if it is the intention to refer them to the committee on banking and commerce.

Right Hon. R. B. BENNETT (Prime Minister): I have not discussed the matter with my colleagues but in view of the discussion that has taken place in the committee with respect to the provisions of the Bank Act and also with respect to the Bank of Canada Act I would have thought with respect to the amendments to which my hon. friend refers, following as they do as a matter of course from the enactment of that legislation, that it would not be necessary to refer them to the committee. That was my view.

CANADA SHIPPING ACT

On the orders of the day:

Hon. IAN MACKENZIE (Vancouver Centre): May I ask the Minister of Marine when we may expect the Canada Shipping Act to arrive in this house?

Hon. ALFRED DURANLEAU (Minister of Marine): The Canada Shipping Act has been before a subcommittee of the Senate and is now being reprinted. It will go before the banking and commerce committee probably next week.

Mr. MACKENZIE (Vancouver): Of this house?

Mr. DURANLEAU: Of the Senate.

PUBLIC WORKS PROGRAM

On the orders of the day:

Right Hon. W. L. MACKENZIE KING: Referring to the program of legislation given earlier in the week I notice that no reference was made to the public works construction program. Can the Prime Minister now indicate when the program is likely to be brought down? I mean the program he described as being like Jonah's gourd.

Right Hon. R. B. BENNETT (Prime Minister): Jonah's gourd grew up in the night and afforded shelter from the sun.

Mr. NEILL: And perished in the night.

Mr. BENNETT: The gourd did, but not Jonah. He suffered a different fate. I should think that between now and Saturday we shall be able to settle the schedule. It is only a question of settling the schedule. The plans and specifications with respect to many of the works have been completed, and everything is ready to call for tenders when the enactment receives the approval of this house. All that remains is the question of what is to be included in the schedule, and what not. That has not been definitely settled, and I am sure that the experience of the right hon. gentleman on more than one occasion will indicate to him just how difficult that task has been.

Mr. MACKENZIE KING: If the right hon. gentleman is able to settle upon the schedules by the end of the week, would it be possible to have them brought into the house early next week? I ask this because we are still looking for the amendment to the elections act which I understand has been settled for some time but which has not been brought down as yet.

Mr. BENNETT: No; I should not like the right hon. gentleman to understand that; I did not say it was settled. I said it had been revised.

Mr. MACKENZIE KING: And was being printed.

Mr. BENNETT: And had been printed, yes. I hope it will be in the house some day next week. I hope to have a copy in the hands of the right hon. gentleman by next week at any rate. So far as the schedules are concerned, I cannot promise when they will be submitted to the house. They will have to be preceded by a resolution which will be put on the order paper next week.

ONTARIO ELECTIONS

On the orders of the day:

Mr. F. G. SANDERSON (South Perth): Mr. Speaker, I should like to ask a question of the Minister of National Defence (Mr. Sutherland). On May 3, the minister addressed a large audience in the city of Toronto and it was reported in both the Ottawa and Toronto papers that he had said that the federal government of which he is a member would throw all their weight and influence towards the re-election of the Henry government. I should like to know if the minister was speaking as a minister of the crown or as a citizen of Ontario.

[Mr. Neill.]

Hon. D. M. SUTHERLAND: I do not think that statement requires any answer particularly.

LEGISLATION TO BE ANNOUNCED

On the orders of the day:

Mr. P. F. CASGRAIN (Charlevoix-Saguenay): Mr. Speaker, I should like to inquire of the Prime Minister (Mr. Bennett) if he is in a position to give the details of the legislation or the bill yet to be brought down which he was not able to give last week. He said he would give this information at a later date.

Right Hon. R. B. BENNETT (Prime Minister): I said I would state whether or not it would be introduced. This depends upon the completion of certain information which I am obtaining; part of this information I have since obtained, part I have not. I hope to be able to make a statement next week.

WEDNESDAY EVENING SITTINGS

On the orders of the day:

Mr. WILLIAM DUFF (Antigonish-Guysborough): Mr. Speaker, I should like to inquire of the Prime Minister (Mr. Bennett) if any consideration has been given to having the house sit on Wednesday nights. A number of us who come from the far parts of this country do not know what to do after six o'clock on Wednesday. Most of us get into mischief and I think it would be in the interests of the country if the Prime Minister would move a resolution that this house sit on Wednesday evenings.

An hon. MEMBER: And on Saturdays.

Mr. DUFF: I won't go that far at the moment. Wednesday evenings first, one step at a time. As the session has advanced to May 9, I think it would be in the interests of the country and of hon. members to sit Wednesday nights starting next week.

Right Hon. R. B. BENNETT (Prime Minister): The observations of the hon. gentleman are always listened to with interest. If he finds it difficult to shape his course, I suggest that perhaps his ship be brought up three sheets in the wind.

Mr. DUFF: That is the difficulty now.

Mr. BENNETT: Perhaps if his ship were close hauled a little and the course changed a point or two it might be possible for the hon. member to reach a haven of refuge much more readily than he now seems able to do.

It seems to me that the time which expires between six o'clock on Wednesday and three o'clock on Thursday should enable the hon. gentleman to add knowledge to his vast store of wisdom and perhaps shape a course which would be of great use to us.

Mr. DUFF: I could associate myself with the Prime Minister.

Mr. BENNETT: One of the difficulties of sitting on Wednesday evening is that we have so much to do, for reasons which need not be mentioned. I have no difficulty in filling in the night in an endeavour to prepare for the day. However, I shall give every consideration to what the hon. gentleman has said. In the meantime, perhaps if he reefs down to the second reefing point and close hauls his ship, he will have no difficulty in getting past Wednesday nights.

MARKETING ACT

ORGANIZATION TO IMPROVE METHODS AND PRACTICES IN MARKETING NATURAL PRODUCTS

The house resumed from Tuesday, May 8, consideration in committee of Bill No. 51, to improve the methods and practices of marketing of natural products in Canada and in export trade, and to make further provisions in connection therewith—Mr. Weir (Melfort)—Mr. Sullivan in the chair.

On section 1—short title.

Mr. CASGRAIN: As has been pointed out by the leader of the opposition, the government has intimated that in all likelihood certain amendments will be proposed as we proceed with this bill. I think matters would be expedited if those amendments were submitted to the committee. We would then be in a position to examine them and find out if they meet with the suggestions made by hon. members in all sections of the committee. I think the suggestion made by the leader of the opposition and referred to by hon. members in the far corner merits consideration. I think these amendments should be produced so that we may know what they are.

Mr. GUTHRIE: Perhaps the Minister of Agriculture would permit me to say a word in reply to my hon. friend, as I am under some obligation in regard to these suggested amendments. There is no doubt that the protracted discussion which has taken place in connection with this bill has given rise to certain suggestions from various parts of the committee which are worthy of consideration. I have been engaged with certain law officers of my staff practically all morning in the preparation and revision of certain suggested amendments to various clauses of the bill. It was impossible to have them ready for to-day, but after a conference with the Minister of Agriculture shortly before the house met this afternoon I think we can say that they will be printed in the votes and proceedings for use on Friday. I do not think this need delay the discussion of the majority of the proposals contained in the bill, but some of the amendments are rather important and will probably require some discussion. I do not think it will be possible to have them in proper form before Friday afternoon's sitting.

Mr. RALSTON: Could the Minister of Justice indicate the general nature of the amendments and the sections to which they refer?

Mr. WEIR (Melfort): The nature of the amendments has been explained before. They do not change the principle of the bill to any extent as they are framed for the purpose of clarifying what we feel is already in the bill but in connection with which there appear to be certain misunderstandings. There is an amendment with reference to the definitions; there is a change dealing more explicity with the provisions for pools or the manner in which products are to be marketed or regulated, and there is one which concerns the power of the local boards to raise funds. But in effect there is no material change in principle in the amendments. The only purpose is that of clarification.

Mr. RALSTON: Has the minister in mind any amendments to section 9?

Mr. WEIR (Melfort): Yes.

Mr. RALSTON: What is their effect?

Mr. WEIR (Melfort): It is not in final form to move as an amendment.

Mr. RALSTON: But could the minister give the general effect of them?

Mr. POULIOT: Is the minister ready to answer my question of yesterday?

Mr. WEIR (Melfort): The principle under consideration in the wording of clause 9 is to confine the application of power to the creation of interprovincial and export trade.

Mr. RALSTON: That is a limitation of the section as it stands now.

Mr. WEIR (Melfort): We think not.

Mr. RALSTON: When the minister says that there is no change in principle, he will

remember, as the committee remembers, that there are a number of principles in this bill, and I take it that there is some change in principle even in what he has indicated to us.

Mr. MacLEAN: I have one or two questions to ask the minister before we leave this clause. So far I have taken no part in this discussion and it appears that a certain section of the press in my own province is sitting up nights and worrying because I have not taken a stand on the bill. As far as this marketing bill is concerned, if it will improve the position of the primary producer in helping him to market his products profitably, then I am for the bill. But I feel sure that some of our farmers and fishermen too will have to be prepared to make some concessions and perhaps some sacrifices if the bill is put into effect in that province in the way it stands at the present time. I am glad however that the minister has declared today that the government is prepared to bring in some amendments to the bill. This I think will justify the criticism that has been offered not only from this side of the house but in the press of the country in connection with this matter. If we get a bill that is workable, it seems to me that this criticism should be gratefully accepted by the government; the country should be thankful for what has been said on this side of the house in having the bill amended to make it as satisfactory as possible.

As I say, if the bill is put into effect as it stands there is no doubt that some of our potato growers in Prince Edward Island will have to be prepared to make sacrifices. They must make sacrifices if the bill as it stands is adopted by a majority of the growers or even by a minority and the rest are forced to comply with the regulations, because they will have to give up some privileges which they enjoy at the present time. There is however one thing I can say for our farmers in this respect and that is that they have always been prepared to make sacrifices personally whenever they have been convinced that cooperative selling was in the interests of all, and I feel sure in this connection that they will be prepared to give the same cooperation as they have given in the past. But there is one difficulty which I see. Under present conditions in that province, very often we have United States buyers coming in the summer months. They look over the growing crop and if they see some exceptionally good fields of certified seed potatoes which they would like to buy they endeavour to buy these direct from the grower. In other words, they take an option on the crop. Possibly the price is set at 75 cents per bushel and they pay 25 cents per bushel down, the balance to be paid when the crop is delivered in the fall. Whether the grower who has been in the habit of doing this will be prevented from continuing the practice is more than I can say, but it would seem that if the whole province came under the operation of this marketing bill then all the potatoes would have to be sold through the one marketing organization.

There is a similar situation in connection with the fisheries. We have some small cooperative fishery unions which handle to a small extent the product of some of the factories. Whether the big dealer who has been backing the fishermen for a great many years and building up an individual trade will be injured in any degree should the fishermen adopt the scheme I cannot say; I do not know whether he would be willing to come under the act.

I may point out that in addition to the potato growers' association, which is a very large organization in that province, we have another quite considerable organization, the associated shippers, and there are also large private firms which advance the potato grower his fertilizer and possibly seed for putting in his crop. Under local legislation there has been evolved a plan whereby these men can be protected through what is known as the first mortgage plan with respect to crop. That mortgage on the crop is intended to protect the man who advances fertilizer and seed to the grower, and it provides that the crop must go to the person making such advances. Personally I should not like to see anything done that would interfere with the rights of these men, because our farmers cannot carry on very well without their assistance. If there are no compulsory features in the bill, as the minister said yesterday, I think it is all to the good.

Mr. WEIR (Melfort): May I interrupt? I think the hon. gentleman is mistaken when he says that I gave the impression that there were no compulsory features in the bill.

Mr. MacLEAN: I am sorry that the minister has not been more definite in all these things, because yesterday when the question was put to him on different occasions he skated all round it; he would not say yes or no in answer to the question.

Mr. WEIR (Melfort): I must object to the statement the hon. gentleman is making; I think he is doing the skating all round the question. I stated definitely that there was

a possibility, as the bill stands, for producers to submit a scheme under which there would be compulsion on those under it.

Mr. MacLEAN: I am glad the minister has cleared up that point because it is a very important one, and one in regard to which we have been endeavouring to get information ever since the bill was introduced. We on this side understood that there were compulsory features in the bill to which I am opposed, and I am glad that the minister admits now that it is so. However, all I can say is that as far as the potato growers of Prince Edward Island are concerned, their produce is largely exported either to the United States or to the different provinces of the dominion. Under this cooperative plan of shipping through the potato growers' association, the work has been proceeding fairly satisfactorily, although there are always some who pull out from their association and are not satisfied. Perhaps the result will be the same under this plan if it is put into operation. But I would like to ask the minister whether in his opinion, if the bill is put into effect and if, say, forty or fifty per cent of the producers in the province ask for the scheme, it is the hope of the government that the board then will control the total output of the province and that those who do not come under the scheme willingly will be forced to come under it and market their products through the organization.

Mr. WEIR (Melfort): I am rather more hopeful to-day than I was yesterday because after four explanations and answers to questions asked with reference to what compulsion there was in the bill, at least some hon. members admit that they now understand that part of it.

With reference to the question asked by the hon. member in connection with compulsion, whether it is my opinion that if forty or sixty per cent of the producers voted in favour of a scheme they would have control over the remainder, I have stated over and over again that the basis of this bill is the scheme that the producers themselves submit and they themselves in their scheme will state the action that they feel should be taken in that connection.

Mr. MACKENZIE (Vancouver): Is it the intention to have uniformity in regard to the practice among the various boards as to the percentage that will be required for compulsion?

Mr. WEIR (Melfort): That is in many cases entirely up to the provincial government. So far as interprovincial and export trade is concerned there will be uniformity with reference to the workings of the board, but schemes may be submitted within a province and a provincial marketing board based on those schemes, set up. The dominion board may name or use that provincial board as their local board or agency.

Mr. MACKENZIE (Vancouver): So that for purposes of operation the majority percentage might be quite different in British Columbia from what it was in Nova Scotia?

Mr. WEIR (Melfort): Yes.

Mr. BEAUBIEN: Yesterday I asked this question:

> Mr. Beaubien: Suppose sixty or seventy-five per cent of the growers of any natural product desire to form themselves into a cooperative marketing organization and through their local or provincial boards come to the minister here with a scheme for the marketing of that product: can the marketing board under this bill compel the other forty or twenty-five per cent that are growing the same commodity to go into this marketing scheme, or can it not? I would like to have a direct answer to that question.
>
> Mr. Weir (Melfort): That is a possibility under certain conditions.

And further on:

> Mr. Beaubien: The minister said: "that is a possibility under certain conditions." Are the conditions under which it might happen mentioned anywhere in the bill? What are the conditions?
>
> Mr. Weir (Melfort): They are in so far as they can be set out in detail.

May I ask the minister this question: I think he is firmly convinced that the only way that any marketing scheme in respect of any product can be brought about is through compulsion—compulsory cooperation; and the percentage that do not wish to go in will have to be compelled to go in. Suppose we assume that sixty per cent of the producers of a commodity get together and come to the minister with a scheme for cooperative marketing: can he by legislation put the scheme into effect without the sanction of the province?

Mr. WEIR (Melfort): The question raised by the hon. member for Provencher is dependent upon so many different conditions that I am sure he would not ask me to give one specific answer to it. I think, as we proceed with this bill, he will realize that every effort has been made to prevent any conflict between provincial and federal jurisdiction in this matter. A province may use a board set up by the federal government or we may

use one of the provincial boards, as the case may be. One of the big tasks in framing this legislation has been to try to get over the difficulty that is confronting the hon. member.

Mr. BEAUBIEN: I would like to get this clear in my mind. If the minister approves a scheme submitted to him by a majority, can he, without provincial legislation, compel the minority which does not wish the scheme, to go into it? If he cannot answer the question, I shall not insist on it.

Mr. WEIR (Melfort): My understanding is that the matter would be a provincial one.

Mr. MACKENZIE (Vancouver): Is the minister in receipt of copies of the various legislative acts passed by the provinces with respect to this legislation, and could those copies be tabled by Friday? I understand the various provinces have passed different pieces of legislation to enable them to implement or to proceed under this measure.

Mr. WEIR (Melfort): That is correct. My understanding is that we have copies of the legislation passed by the various provinces, and I shall be glad to table all we have.

Mr. BEAUBIEN: Suppose a majority of the growers of a particular commodity ask for a scheme, and the minority, who have not endorsed it, are compelled to go into it: Are there any provisions in this bill or will provisions have to be made by the provincial legislature to give this minority, let us say of forty or twenty-five per cent, some board or representation of some kind? The reason I ask the question is this: If you are going to have cooperation and if a certain percentage of the growers of the particular commodity formulate a scheme and force the minority into it, unless you give the latter some leeway I do not see how you are going to have any harmony in connection with the scheme.

Mr. GUTHRIE: If the question my hon. friend has just asked involves only trade within the province in which the board is set up, then the provincial authorities would have to grant any protection such as he thinks should be granted. But if the trade in the commodity produced in the province is to be carried on interprovincially or internationally, the jurisdiction is with the federal government. I understood from his question that he referred to trade within a particular province by producers in that province. If he did, that trade would be under provincial authority; if it is interprovincial or international trade, it would be under federal authority.

[Mr. R. Weir.]

Mr. BEAUBIEN: Practically every natural product which is grown to-day is traded in interprovincially as well as internationally. There is no question about that. There is no commodity produced in any province the consumption of which is restricted to that province.

Mr. GUTHRIE: Then if it is interprovincial it is a federal matter and not provincial. But it is not right to say that every article produced is traded in interprovincially. There are cases in the courts deciding that very point; where the trade is provincial it has been held that the federal government has nothing to do with it. The fruit case from British Columbia is one; that was a decision of the supreme court of Canada, not of the judicial committee of the privy council, and I do not know that the case will ever go further than the supreme court of Canada. This bill is drafted on the basis of the decision in the fruit case that interprovincial trade in Canada is under the authority of the federal government.

Mr. BEAUBIEN: Then from the remarks of the Minister of Justice I take it that the claim that provincial legislation will control the compulsory features, on account of the provinces having jurisdiction over civil rights, is only drawing a herring across the trail. If trade in any commodity which comes under this scheme is interprovincial or international, the provincial jurisdiction will be nil if the dominion government have full power.

Mr. GUTHRIE: With regard to such part as goes beyond the confines of the province, that is right.

Mr. BEAUBIEN: I think the minister will admit that very few commodities that will come under this measure are not traded in interprovincially. I do not know of any.

Mr. GUTHRIE: Take the fruit crop in Ontario; the greater part by far is sold in Ontario.

Mr. BEAUBIEN: We consume some of it in Manitoba.

Mr. GUTHRIE: That part is federal. But the trade in the province of Ontario will be under the control of the provincial government.

Mr. BEAUBIEN: But may I ask—I do this for information, not to obstruct the bill—with regard to a commodity such as apples, grown in Ontario and consumed all over the dominion—

Mr. POULIOT: And outside.

Mr. BEAUBIEN: And outside, but limiting it to the Dominion of Canada for the sake of argument. If the fruit growers of Ontario organize themselves into a body and come to the minister with a scheme, will that compel all the growers to go into the scheme? The minister made the statement in answer to a question of the hon. member for Bonaventure that provincial jurisdiction would take care of the compulsory feature—he did not say that in so many words, but that was the effect. Suppose a certain percentage of the growers ask for a scheme and compel those who are not in favour to go into it, will the province have any jurisdiction, or will the whole jurisdiction be in the federal government to compel the growers who are opposed to come into the scheme?

Mr. GUTHRIE: The whole jurisdiction will be in the federal government in regard to all portions of the scheme which apply to interprovincial or international trade; but as far as the marketing in the province of Ontario is concerned, that part will still remain under provincial control. But there is power given in this bill for cooperation between the provincial and federal governments.

Mr. BEAUBIEN: In such a case this bill will not be operative; there would have to be another provincial bill?

Mr. GUTHRIE: Yes, for anything pertaining to provincial trade.

Mr. BEAUBIEN: Take for example the producers of wheat trying to get a one hundred per cent pool, as they did some years ago; they come to the minister and say that sixty per cent are in favour of a compulsory wheat pool. They form a body and present their scheme to the minister, and he puts it under this legislation. He will be able to compel the other forty per cent to go into the scheme, will he?

Mr. WEIR (Melfort): My understanding is that the question has been already answered. We can for interprovincial or export trade.

Mr. BEAUBIEN: Then I would like to get this clear; I have been aked by a large number of my electors to find out about it. If the wheat growers of Canada decide to form themselves into a cooperative marketing organization and come to the minister with the scheme, and forty per cent of the growers do not want to go into the scheme, can the minister compel that forty per cent to go into it? Because wheat is international in scope and also interprovincial.

Mr. GUTHRIE: I think he can.

Mr. BEAUBIEN: Then is there any provision in the bill that will give this minority representation of some kind?

Mr. WEIR (Melfort): Yes.

Mr. CASGRAIN: It is a compulsory bill.

Mr. WEIR (Melfort): The scheme as submitted must set out the manner in which the board is to be selected. It may be by election, or it may be otherwise, but the whole scheme must first be approved by the dominion board, the minister and the governor in council, and will be dealt with on its merits. In a case like that I would say it would be as the hon. member suggests, because it is the only rational thing that everyone should have representation as far as possible. I believe that certain schemes will be brought forward, not only asking that the minority be represented on the board, but also that the trade may be represented, and consumers represented. But all that depends on the particular problems that are at issue.

Mr. BEAUBIEN: Would not the minister think it advisable to put something in the bill to that effect? The minister knows as well as I do that some years ago there was propaganda throughout western Canada for a one hundred per cent pool. I think my record stands as having done a great deal of work in attempting to bring about wheat pools amongst the French speaking people of western Canada. I am in favour of cooperative marketing; I have always been in favour of it, but I have always been against compulsion, and am to-day. The minister knows that the scheme for the hundred per cent pool was not well received, especially in Manitoba. In view of the explanation given by the Minister of Justice there ought to be some provision in this bill by which the minority, which might be twenty-five, thirty or forty per cent, should be given representation. I do not ask the minister to give it right now but I suggest that before we finish with this bill an amendment should be introduced to give that minority some rights.

Mr. WEIR (Melfort): I think the hon. member will agree that the discussion so far has disclosed a great number of problems that must be dealt with. We have discarded many clauses which seemed to fit one commodity because, by inserting such clauses, we seemed to make it less possible to get a bill that would meet the requirements of other commodities. I appreciate that what the

hon. member says is worthy of consideration. It has been given consideration, but I think the hon. gentleman will agree also that no reasonable person would feel but that if a percentage were forced into any scheme they should be given full representation in that scheme. I do not think the producers of this country are so unreasonable that they would submit any other scheme for approval. I will give further consideration to what the hon. gentleman has said. My only objection to inserting such a clause would be that it might interfere in some way with the desires of the producers in regard to the different problems they must meet.

Mr. BEAUBIEN: You have compulsion under this bill; you give these boards the right to do almost anything.

Mr. WEIR (Melfort): Only the rights for which they ask to handle their own business.

Mr. BEAUBIEN: I know that, but the minister can appoint a board without anyone asking for a scheme. We are giving this central marketing board all the powers that possibly can be given any board. They can restrict imports or exports; they can license the growers; they can hold a portion of a commodity off the market, and so on. If you are going to give this board the powers set out in section 4 of this bill, under which they may compel people to come under these schemes, I think some provision such as I have suggested should be included. I know the mind of my electors and I think I speak it when I say that if the minister is going to insert these compulsory clauses—and he cannot deny that they are here—and if the explanation given by the Minister of Justice is correct, as I believe it is, then something ought to be done to give the minorities some rights. I urge that very strongly, and I do not think I can repeat it too often. It may be very well for sixty per cent of the growers of a commodity to say, "We want this scheme; it must be given us," and force the other forty per cent to accept it. Surely the forty per cent ought to have some protection in a free country. We give protection to the minorities in this country in practically everything we do.

Mr. MARCIL: Not in this parliament.

Mr. BEAUBIEN: Perhaps we do not recognize them as much as we should, but when we are going to change the whole economic life of the growers of a commodity I think the minorities should have some rights under this bill. I do not think the bill should go through without giving some protection of this kind, and I do not think the minister dreams for a moment that he will ever put this bill into force without using compulsion, coercion or whatever he calls it. If you are going to have this compulsion you should give the minorities some rights.

Mr. HEENAN: Mr. Chairman—

Mr. BURY: Mr. Chairman, I have been trying to catch your eye six or seven times.

The CHAIRMAN (Mr. MacNicol): The hon. member for Kenora-Rainy River has the floor.

Mr. HEENAN: The more we discuss this legislation the more angles we see or, as the hon. member for East Hamilton said last night, the more slants we discover. Since this is a measure to compel the organization of those who produce our natural products in order to regulate marketing, prices and so on, I was wondering if the minister would give consideration to the fact that the labour men of this country are producers as well. They have labour organizations, but they are voluntary organizations; no man joins an organization unless he does so of his own free will.

Mr. WOODSWORTH: May I ask if the hon. gentleman believes in the closed shop?

Mr. LAPOINTE: Do you?

Mr. HEENAN: Because of that fact only about seven per cent of the labour men of Canada are organized and the producers, or the men who employ these workmen, take advantage of the fact that the men are not organized properly. If they were organized properly they would not be working for the wages they are receiving to-day; if they were organized properly there would be no need for minimum wage laws in this country. I am sure the minister and the government will admit that the labour men of Canada are producers, and I am going to ask the minister now if the labour men of Canada hold a meeting and request to be included under this bill, will they come under the bill? If the majority of the men in any craft organize will the minister and the government force the remainder into that organization so that they may regulate their production and their prices, which would be in the nature of wages?

Mr. WEIR (Melfort): I think that question was well answered by the question asked by the hon. member for Winnipeg North Centre and the hesitation of the hon. member for Kenora-Rainy River, who did not reply. I can say also that I believe the producers of this country would be reasonably well satisfied if they had the same amount of

organization and the same control of their products that the labour unions in Canada have with regard to wages. As to whether or not such a scheme would be considered in regard to the workingmen of Canada, I may say that it would be considered under the provisions of this act and in accordance with what is set out in the act.

Mr. HEENAN: Did I understand the minister to say that if the labour men requested that they be allowed to come under this bill the government would accept that request?

Mr. WEIR (Melfort): As far as the provisions of the bill go. This bill is for the regulation of the marketing of natural products.

Mr. HEENAN: But the minister must recognize the fact that the labour men of Canada are consumers as well. I want to point out that the labour men are producers; they produce natural products too. They work in the forests, in the mines, in the fisheries, and so on, but I spoke generally of organized labour. I want to point out that the minister was wrong when he said the farmers would be satisfied if they had the protection the labour men have, because the labour men of this country have very little protection, with the exception of a very few unions. There are only about seven per cent of them organized, and because of the fact that they have very little organization in Canada advantage is taken of them with respect to their employment, wages and working conditions. The principle is just the same. If we are going to organize a body of men to regulate their products and say how much shall be produced and what the price shall be, which corresponds, of course, to the wages of the working man, then we should take in all our citizens; we should not neglect any of them.

I have not any authority to ask this question; I have not been asked to ask it, but the reason why I ask it of the minister is to secure information. If the working men of this country get together and ask the minister to give them the same kind of treatment as is being accorded to other producers under this bill, will the minister consider including them in this bill or bringing down another bill to include them and to provide that where a certain percentage of men join an organization of labour men the minority will be forced to do likewise, and the law protect them in the wages they demand for their work, and so forth? For the information of the minister I may say we have a law on the statute books with respect to labour unions, but the law only gives the men the right to join labour unions. It simply says that it is not illegal for them to join unions. The Prime Minister of Canada signed the treaty of Versailles under which working men, as well as employers, are given the right to organize, but the treaty does not compel anyone to recognize those organizations. If the minister will say that he will include working men, the labour men, as producers either in this bill or in a supplementary bill that he will bring down, I think I could support this bill.

Mr. TURNBULL: If my hon. friend will read section five of the bill he will see that it provides:

> A representative number of persons engaged in the production and marketing or the production or marketing of a natural product may petition the governor in council to approve a scheme.

If the labouring men are engaged in the production of a natural product, as my hon. friend says, or in the marketing of a natural product, they can produce a scheme, and if they get the support of all others engaged there will be a board.

Mr. HEENAN: Is that answer from the minister?

Mr. TURNBULL: It is from the bill itself.

Mr. HEENAN: Will the Minister of Agriculture put that same interpretation on section five?

Mr. WEIR (Melfort): That is the interpretation I have already given the hon. member in connection with it, namely, that this bill provides that a representative number of producers can submit a plan for the marketing of the product they produce, and so far as the people to whom the hon. member for Kenora-Rainy River refers, if they come under the provisions of this bill, they will be included in it as producers of their own products.

Mr. HEENAN: That is not the interpretation the hon. member for Regina placed on that section. If they are working in the lumber mills, for instance, they are not producing their own product; they are working for some other man.

Mr. WEIR (Melfort): They could not sell a product if it was not theirs.

Mr. HEENAN: Surely they can regulate the price of their work; that is, regulate their wages. The man who employs them is going to be allowed to regulate the sale of his product. Then why not the men who are

employed by him? I would like the minister to see if he cannot put the same interpretation on section five as was given by the hon. member for Regina.

Mr. BURY: Mr. Chairman, the point I wish to deal with is the one which was raised by the hon. member for Provencher. I do not know whether it is yet clear in the minds of some of us, but as I see it, the real term that we should emphasize in considering this bill is the regulated product. The scheme as it is now embodied in the bill, and perhaps the minister will correct me if I am wrong, is that the producer of wheat, we will say, will come under the federal law in so far as his product becomes a regulated product within the terms of that law; that is to say, in so far as his product goes into international or into interprovincial trade. But that portion of his product that does not go into interprovincial or international trade is not a regulated product within the meaning of the federal bill. Therefore, a producer of that product in a province who sells it inside the province and who, if he had sold it outside the province, either in another province or abroad, would be committing a breach of the regulations passed under the bill, would not be committing a breach by reason of the product not being a regulated product, and going purely into intra-provincial trade. In other words, I do not think that the distinction we have to make—

Mr. VENIOT: Might I ask the hon. member a question for information? As I understand him, he says that the product sold within the province is to be dealt with within the province by provincial jurisdiction.

Mr. BURY: The product that is traded or sold within the province.

Mr. VENIOT: Therefore the dominion has no right to interfere?

Mr. BURY: Yes.

Mr. VENIOT: Will my hon. friend look at section ten of the bill? I will read it to him and then ask his explanation of it as a lawyer:

> Whenever a scheme relates to an area of production which is confined within the limits of one province, the governor in council may authorize any marketing board or agency under the law of the said province to be, and to exercise the functions of, a local board with reference to the said scheme, and such provincial board or agency may be authorized to collect charges for services rendered in respect of all or any of the products subject to its regulation by reason of the aforesaid scheme.

[Mr. Heenan.]

What right has the governor in council to interfere if the interpretation of the hon. member is right?

Mr. BURY: My hon. friend has overlooked the one important point in that clause which is "production." The word at the very commencement of the clause shows that the clause is confined to an area of production within a province not an area of trade.

Mr. VENIOT: Then you would require two schemes?

Mr. BURY: Will my hon. friend allow me to finish? Every area of production in Canada must be either inside one province or partly inside one and partly inside another. Therefore every part of the area of production must be in some one province. The provision of the bill, as I understand it, is that where an area of production comes inside a province the terms of the clause which my hon. friend has just read apply. But I am not talking of the area of production; I am talking of the area of sale. Where the trading in or sale of that article produced within a province, as it has got to be, is in another province or outside of Canada in a foreign country, then if there is a scheme especially in relation to it, that product becomes a regulated product, and it is only in respect of regulated products that offences can be committed under the act to be founded on this bill. The products raised within a province and sold within the same province will not come within the purview of this bill and cannot be considered as regulated products. There could be no offence committed under this bill. Even when a man is in a scheme he may produce regulated and unregulated products unless there is provincial legislation to affect the marketing of his products inside the province in which they are raised. The important distinction is not as between the particular products which a man may raise; it is the question whether or not the product he raises is a regulated product. If it is a regulated product under the bill it must be a product sold outside the province, whether it is sold in another province or abroad.

Mr. DUFF: Suppose half a man's crop is sold within the province, a quarter sold interprovincially and a quarter sold on foreign markets; will there be three boards, one board or no board?

Mr. BURY: My hon. friend ought to know.

Mr. DUFF: I do know.

Mr. BURY: I do not know whether he means half an apple or half a crop of apples. If he means half a crop of apples and there is a scheme in connection with the marketing in that district, the apples sold outside the province will be a regulated product. The half crop that is sold in another province or in another country will come under the description of a regulated product.

Mr. DUFF: I am sure I appreciate my hon. friend's explanation. He has taken it upon himself to show me that he is much smarter but he did not seem to know whether a product meant half an apple or ten apples. I appreciate my hon. friend's lecture. I thought that a product meant the product of a certain industry or of a certain individual within the industry, whether it was one apple or 10,000 barrels of apples.

Mr. BURY: Did I not answer the hon. gentleman?

Mr. DUFF: You did, but not in a very courteous manner.

Mr. BURY: If my hon. friend objects to the first part of my answer, I will gladly withdraw it.

Mr. DUFF: Thank you very much, that is better.

Mr. BURY: While I am on my feet I should like to refer to this question of compulsion in connection with which we had a good deal of discussion yesterday. I submit that we are accustomed to compulsion as a perfectly proper principle wherever it is necessary for the protection of a market. We are accustomed to the principle of compulsion to prevent diseased cattle, diseased stock of all kinds, diseased fruits or vegetables, or any other products coming on to a market. The other day the hon. member for Weyburn argued that as his farm was his own he should not be interfered with, even by parliament, and should be allowed to operate his farm exactly as he chooses. Unfortunately he is not allowed to do that. If he operates his farm in such a way that weeds grow up and spread to any extent he will very soon find a weed inspector down on his back. Whether or not he likes it, he will be forced to clean his farm of weeds. Why? The inspector will not be so much concerned with the injury done by the weeds to the property of my hon. friend who has permitted them to grow; he will be concerned with the injury being done to his neighbours' farms. We have the same principle of compulsion in this bill. The purpose of the bill is to prevent a producer from introducing into a market, whether it be the home market, a market outside of the province of production or a foreign market, any product which will injure the market for his fellow producers or fellow exporters. That is a perfectly sane and sound principle and one which is quite common and recognized by all. It is one which we have had to recognize, whether we like it or not. I do not see anything in this bill which goes beyond the principles which have been well established in connection with the operation of our agriculture and other industries for years.

I give one illustration. There was a time when under our criminal law a co-owner could not be charged with theft from from a fellow co-owner in respect to joint property. This could not be done because of the relationship which existed between them and between each of them and the subject matter of their ownership. But in our criminal code the law has been changed and a co-owner may now be charged with theft in connection with the subject matter of the co-ownership. He is not protected from being convicted and fined or imprisoned. We have the same principle in this bill. The markets on the other side of the channel in the old country, in Europe, in the United States or in the other provinces do not belong to any one exporter. He should not be permitted to ship an unregulated product to those markets which will have the inevitable result of destroying the property of his fellow exporters. It is a sound and logical principle of law that the law should step in and prevent that man from stealing—that is what it is—from his fellow exporters some of the benefits which belong to that common market. I cannot see why there should have been all this trouble and controversy about this principle of compulsion with which we have been familiar for years and which is in keeping with the ordinary principles of law.

Mr. MACKENZIE KING: Apparently the hon. member has a comprehensive view of this matter, and I should like to ask him if a provincial scheme were applied to some crop which is consumed in part within a province, consumed in part within other provinces and exported in part, would not the effect of any provincial scheme which limited production or restricted sales within a province be to affect as well interprovincial and export trade?

Mr. BURY: I am not speaking for the minister. I stated expressly that I was giving my own opinion of the purpose of the bill and I asked to be corrected if I was wrong.

Mr. MACKENZIE KING: I am simply asking my hon. friend for his expert opinion.

Mr. BURY: I thank the right hon. gentleman for the compliment, but perhaps it is not deserved. If the provincial scheme was such as to restrict production, I assume that it would restrict not only the production of the product within the province but also the production outside the province. I have no doubt personally that that would be the effect of a provincial scheme.

Mr. LUCHKOVICH: As the provincial aspect of this matter has been raised I should like to ask the minister if he has conferred with the various premiers in connection with the principle of this marketing bill. I understand that at least one premier has put himself on record as being in favour of the principle of the bill. I refer to Premier Brownlee of Alberta. Has any enabling legislation been passed in the various legislatures, or have those legislatures passed any skeleton legislation?

My second question refers to the position of minorities. Does the minister feel that a vicious or recalcitrant minority could impose upon or jeopardize the welfare of the majority of producers of the country? Last night I said that the leader of the opposition had made the statement that bad money drives out good money, and it is possible that a small minority might drive out of business a large section of the producers. The question was raised by the hon. member for Provencher that some provision should be made in this legislation to enable minorities to have some say. May I ask the hon. member for Provencher this question. If the Liberal party is successful at the next election will it include in the cabinet one or two Conservatives and a Labour and Farmer member, say, in order to allow the minority in this house to have a say?

Mr. WEIR (Melfort): We have been in consultation for a considerable time with the different provinces—the ministers of agriculture, the cooperative organizations and others. I understand that at least six out of the nine legislatures have passed legislation along the lines indicated by the hon. member.

Mr. LUCHKOVICH: Which provinces?

Mr. WEIR (Melfort): We have not received copies of legislation passed, nor have we any definite information from Prince Edward Island, Nova Scotia and Manitoba.

Mr. DENIS (Translation): Mr. Chairman, I frankly admit that I am no lawyer, that my legal knowledge is limited; however, in studying the British North America Act, I learned that the provinces comprised in the confederation, enjoyed a certain commercial liberty and had the right not only to organize their interior trade but also their interprovincial and international trade. Ever since the outset of this debate on the bill to improve the methods and practices of marketing natural products, the impression I gathered, by listening to the speeches of members opposite, was that the government intended to restrict the commercial liberty of the provinces which was guaranteed by the British North America Act. According to this bill the provinces will only have the right to regulate their own interior commerce, but when it is a matter of trading between provinces or countries, they will be obliged to submit to the National Products Marketing Board. This bill is another step towards the crippling of the provinces in connection with their commercial organization, it restricts the liberty of the provinces, and I wish to warn the government that should it persist, by means of this bill, in decreasing, restricting and paralyzing the liberty of the provinces in commercial matters, we shall be forced to take the means necessary to throw off the bondage of this government which encroaches on the prerogatives and the liberty of provinces. It is high time to throw off the government's yoke and seek the means to organize differently so as to safeguard the liberty to which the provinces have a right.

Mr. WEIR (Melfort): The hon. member, I understand, asks in what way this bill will interfere with provincial rights or interprovincial trade. There is of course nothing in the bill that could in any way affect the British North America Act with respect to trade and the jurisdiction of the federal and provincial authorities. As I have said on a number of occasions, the basis is cooperation between the provinces and the federal department. But nothing in this bill can in any way interfere with the present law with respect to provincial and interprovincial trade.

Mr. SANDERSON: What effect will this bill have on the flour milling industry? Most of the flour mills now carry on a local provincial trade and an export trade. Will they have to come under the provisions of this bill? That is one question. Another is this: What effect will this legislation have on the cold storage industry? There are many cold storage plants that are privately owned. The

owner buys up a quantity of butter, cheese, eggs, celery and so on and that is his own property. He keeps it in cold storage and sells it when he thinks the market is right. What will be the effect on his business? Will he have to come under this bill and be compelled to sell his product whenever the local board sees fit to tell him he can?

Mr. WEIR (Melfort): In so far as the flour milling industry represents producers coming under the provisions of this act, if they wish to be organized and to submit a scheme in accordance with the provisions of the legislation, that will be given every consideration—

Mr. SANDERSON: Pardon me. The milling industry, as I understand, would have to come in in a local way to sell their product, and they would have to come in also in order to sell it provincially and nationally in the other provinces, as well as in export. Will provision be made with respect to them?

Mr. WEIR (Melfort): They would be in no different position from that of any other producer.

Mr. SANDERSON: With all due respect to the minister, it is no answer to say that they are in no different position from that of any other producer. I am asking in regard to one of the chief industries of the country—the flour milling industry. Surely the minister has some answer other than that to give me. I am not being critical. I want to tell the minister in all seriousness that among the flour millers there is a feeling that this legislation is going to work havoc with their business. Surely he can give the committee some information as to how they will be treated, what they will have to do and how this bill will affect them.

Mr. WEIR (Melfort): As I have stated before, if they come under its provisions, it will affect them in exactly the same way as it would any other producer or body of producers coming under the provisions of this legislation. As I have stated on a number of occasions, the purpose is not to disrupt trade but rather to assist in bringing about a more economical system of trading.

As regards the hon. member's further question with reference to storage plants, this legislation will in no way interfere with private storage plants as they now exist, except as they are service organizations of a local board under this measure; they will be utilized as they are being now.

Mr. SANDERSON: Am I to understand from the answer of the minister in regard to the milling industry that it will be treated just the same as any other producer? Am I right in that?

Mr. WEIR (Melfort): Yes.

Mr. SANDERSON: Would the minister be good enough to tell me how the producer will be treated? I am trying to follow the discussion but I must confess that so far I have no enlightenment.

Mr. WEIR (Melfort): I regret the hon. member has not been able to follow this because it has been discussed and repeated over and over again. I will, however, present it once more as I see it. If a number of producers, considered sufficiently representative, submit to the board in accordance with the provisions of this legislation a scheme that they think will be to their benefit as producers, setting out the details of the scheme, and if it meets with the approval of the board, it will be submitted to the minister and approved by order in council. The scheme came from the producers themselves. It might be necessary to have a poll or some other means might be decided upon as necessary to ensure that the body of producers would be sufficiently representative. It is the producers' own plan that they submit as being what they think will be in their best interests in regulating the marketing of their product.

Mr. SANDERSON: Getting back to the flour milling industry again, am I to understnd that it will not be affected at all by this bill unless a request is made by a certain number of the millers to come in under its provisions? Am I right in that?

Mr. WEIR (Melfort): That would be my understanding.

Mr. SANDERSON: Then, supposing sixty per cent of the flour milling industry, let us say of Ontario, came under it and forty per cent did not: what would happen to the forty per cent in regard to export trade, local trade and trade with other provinces? Can the forty per cent who hold out in the first instance and do not come in under the scheme, be compelled to come in?

Mr. WEIR (Melfort): No definite answer could be given unless the details of the scheme were submitted. It would be on the basis of that that a decision would be made.

Mr. SANDERSON: The details of the scheme submitted to whom?

Mr. WEIR (Melfort): To the marketing board.

Mr. SANDERSON: To the local board?

Mr. WEIR (Melfort): No, there would be no local board until after the scheme had been approved and a board set up. It might be submitted to the provincial government.

Mr. SANDERSON: In regard to the milling industry, if sixty per cent requested permission to come in and the other forty per cent saw fit to remain out, if the board says so, can the forty per cent be compelled to come in?

Mr. WEIR (Melfort): My understanding is that if such a scheme were submitted to a provincial government—

Mr. VENIOT: Provincial board.

Mr. WEIR (Melfort): —provincial board or provincial government, they would have the authority to force in the others. They would have that now.

Mr. SANDERSON: In regard to the enabling legislation that has been passed by some of the provinces, has the minister copies of the acts that have been passed? I understand one has been passed in Toronto.

Mr. WEIR (Melfort): I have already answered that and we have agreed to table on Friday any copies of legislation we have received. I believe we have copies of acts passed by six provinces.

Mr. SANDERSON: I did not understand that; I am glad to get the information.

Mr. VENIOT: The minister has informed the committee that some amendments to this bill are pending but we do not yet know the contents of them. Might I draw his attention to paragraph (f) of clause 4? In doing so, I wish to take up the battle on behalf of the fishermen. If not for all the maritime provinces, I believe I am entitled to speak for my own constituency which is one that I believe ranks second in the maritime provinces in the number of its fishing fleet, it having 250 to 300 vessels. I find in this measure definitions for many things, but I do not find any definition relating to the primary producer. Let me put this case to the minister: In the constituency of Gloucester we have men who hire aboard fishing vessels. Paragraph (f) of clause 4 reads:

> To require any or all persons engaged in the production or marketing of the regulated product to register their names, addresses and occupations with the board—

And so forth. Who is the primary producer there who must register? Must each member of the crew register or is it only necessary that the captain or owner of the vessel do so? I take it that the crew constitute the primary producers and if that be the case, the crew should not have to register.

Let me give the minister another case. We have been talking about agriculture ever since this bill has been under discussion. I am now going to talk about fishing. It is an industry which, so far as the maritime provinces are concerned, is just as important as agriculture and, indeed, more important in some sections. You cannot deal with fish as a primary product in the same way as you can deal with agricultural primary products; you must have a different way of coming at the matter. There are too many complicated conditions arising in the fishing industry in the way of catching, curing and marketing that are not common to the system involved in the production or marketing of agricultural products. For instance we are fishing cod from early in the spring until August 15 when what is known as the weighing season comes in. Cod is fished in our section by fishermen under wages, with the captain in charge. But after the weighing season begins, August 15, men go on half-line until the fall. Now where does the primary producer come in? Is the man who is engaged by the month the primary producer, or is it the owner or captain of the vessel, who is responsible for the fishing? When they are on half-line the sailor would be the primary producer. He is no longer engaged by the month; he is engaged on half-line—that is to get one-half the product. He is really as much a primary producer as the captain who owns the vessel; there is no distinction. Will you require the sailor, the man fishing under wages, to register under this act? I say it is an injustice, and you will never succeed in having it done.

Then take in our inshore fishermen, or those who fish for lobsters. The traps are provided by the owner of the cannery. The owner of the traps says to these men: You fish and I will pay you so much a pound for the lobsters; you have to give me all the product because I furnish the traps. That is the agreement they sign. Who is the primary producer there?

Mr. CAHAN: Who has the disposal of the fish in each case?

Mr. VENIOT: The proprietor of the cannery. But he is not a primary producer.

Mr. CAHAN: I think he is as much a primary producer as the farmer who engages people to work his farm.

Mr. VENIOT: Then under this bill the man who engages farm help must have his farm help registered?

Mr. CAHAN: Oh, no.

Mr. VENIOT: Well, that is the information that I am looking for. Then take the smelt fishing in the winter, which is a very important industry, bringing in hundreds of thousands of dollars to the north shore of New Brunswick. In that fishing there is scarcely a man that can be called a primary producer by himself. The man who really does the fishing is provided with nets belonging to some wholesale merchant who ships the product to the market in Boston, Montreal, Toronto and elsewhere. Under this bill, section 4, subparagraph (f), are these men compelled to register? Are they compelled to keep books? Are they compelled to give their addresses?

Mr. NEILL: Certainly they are.

Mr. VENIOT: Are they compelled to do all that subparagraph (f) says shall be done in the case of the primary producer, or the producer of primary products? It is in regard to points such as this that had the bill gone before a special committee we could have had representatives of the fishing industry show where the bill would be good for this industry or where it would be injurious. I say in all seriousness that this bill cannot be complied with by the fishermen of the county of Gloucester which I have the honour to represent. The terms of the bill cannot be carried out; I know whereof I speak.

Mr. TURNBULL: In that case there would not be much chance of their applying for a scheme, would there?

Mr. VENIOT: That is just where the trouble will come. If the lone fisherman does not apply for a scheme the man who holds him by the throat by means of advances, who will call himself the primary producer, the wholesaler who is acting as intermediary for the sale of the product to markets outside the province, will have a greater hold on that fisherman than he ever had.

Mr. NEILL: Hear, hear.

Mr. VENIOT: That is where the trouble will come in. The wholesaler will organize himself. In northern New Brunswick there are three or four companies who say to the fishermen: You fish for us; we will provide the wherewithal for you to fish, but all your fish must be sold to us and to no one else. Those men can combine, form a scheme, come before the provincial board and have it approved, and the moment it is approved they have a stranglehold on the men who, after all, are the primary producers, the men who risk their lives on the deep seas to bring this product to land. Under that scheme these wholesalers will have the upper hand of those whom I call the primary producers in the fish business, and that is why I am opposing this measure.

Mr. GAGNON: Do I understand that the lobster fishermen of Gloucester and neighbouring counties are ill treated by wholesalers?

Mr. VENIOT: I am not saying anything of the kind; I am stating the facts, and you can form your own judgment. I say that where the lobster fishermen are provided with the traps by the owners of the canneries, who are the wholesalers of this product outside of New Brunswick, either to Montreal, Toronto or other markets or for export, the canners have complete control of the industry and can do as they like with those who are the primary producers, the men who do the actual work of taking the lobsters from the sea.

Mr. BURY: What property or right has the actual fisherman in his boat? Is he simply working the boat for the canner?

Mr. VENIOT: He does not own the boat.

Mr. BURY: Has he not even a lease?

Mr. VENIOT: In some cases he may lease it.

Mr. BURY: If he has it on lease he owns it during the term of his lease.

Mr. VENIOT: There are not five per cent of them who have.

Mr. BURY: Any man working a boat if he has any sense has control of the boat as his own for the time being. I would not think there would be any trouble in holding that he is the producer.

Mr. VENIOT: I do not think the hon. gentleman would put it as he does if he had any sense, and I think the fishermen have as much sense as the hon. member as far as their calling is concerned. Having made that reply let me go a step further and say that twenty-five or thirty years ago there was in the county of Gloucester hardly a fisherman fishing the deep sea that owned the vessel in which he did his fishing. Those vessels were all owned by the wholesale merchants. But these people have progressed, and in the last fifteen years, so far as deep sea fishing

is concerned, have become the owners of their craft. That does not apply to the inshore fishing that I referred to a little while ago, the lobster fishing and so on. And they in turn engage men as sailors, hire them by the month to run their vessels and fish for them, the proprietors being the captains of the vessels. They have been able to get clear of the drudgery, the slavery that they were subjected to some twenty-five years ago. But when they come to sell their product the sale is regulated by the men who buy wholesale, it cannot be otherwise under this bill. I claim that these wholesalers can organize a scheme as primary producers under this bill and take advantage of the real fishermen, and in that way the real fishermen, who to my mind should be called the primary producers, will be once more subjected to the trials and tribulations that they suffered in years gone by.

While I am on my feet let me say that I am in favour of cooperative marketing. I am not going to talk about the compulsion clauses of this bill, but this is compulsory cooperation, to which I am opposed. In my county we started a cooperative society by which our people were instructed each year in the curing of fish and the securing of markets. In 1928 and 1929 the dominion government, favouring voluntary cooperative marketing, voted a sum of money which was expended by appointed officials who went through the maritime provinces getting the fishermen together to form cooperative societies, and these fishermen were given instruction in the curing of fish. At the same time the government had expert fishermen working in the county of Gaspe, along the Gaspe coast and in the counties of northern New Brunswick as well as the Magdalen islands, teaching our fishermen how to cure fish so that they would be of uniform quality. To-day what is known as the Gaspe cure or the Gaspe cut of codfish has enhanced the value of the codfish industry of the maritime provinces. At that time the Liberal government encouraged cooperation, not compulsory but voluntary cooperation, and wherever such cooperation was established we have had good results. We can have good results to-day if the government of this country will carry on the work that was started in 1928.

Mr. NEILL: I entirely agree with what the hon. member for Gloucester has said with regard to the fishing industry, and if he looks up Hansard he will see that I visualized the situation when I first spoke on the bill some two weeks ago. I do not believe the bill fits in with the fishing industry so that it could be applied; I doubt very much whether the fishing industry was in the mind of the minister when the bill was framed. The hon. member for Gloucester has said that he does not believe the act can be made workable with regard to the fishing industry, and I do not know that this is not the best thing about the bill so far as the fishing industry is concerned, because I believe it will only work against the interests of what I would call the common, ordinary fishermen. It lends itself to manipulation by those interested only in marketing; it almost invites it. I need not go into details—

Mr. WEIR (Melfort): When the hon. member refers to fishermen does he mean men fishing on their own, small fishermen on their own?

Mr. NEILL: I refer to the men who actually catch the fish.

Mr. WEIR (Melfort): As labourers or on their own?

Mr. NEILL: Sometimes they are entirely on their own; sometimes they have cannery gear on shares but not leased, as the hon. member for East Edmonton said. They do not lease the boat; the cannery lends the boat to them on shares. They are the men to whom I refer, the men who catch fish individually, whether they own their own boats or whether they use cannery gear. Those are the men who are not going to enter into this picture. There is every opportunity for a board to be formed having regard to the interests of the marketing end only, and I will give an illustration that has come to my notice.

Mr. BURY: May I interrupt my hon. friend for a moment? Surely he agrees that even though a boat is loaned to a fisherman, if the catch belongs either wholly or in part to the fisherman so that he can sell it and get the money for it, then he is a producer; the fish are the product of his work, and he comes within the bill.

Mr. NEILL: Certainly he is a producer; I do not deny that, but I say he will not get a look in. That is the point. The scheme will be over his head; he will not be invited,—he will be told. That is what will happen to him. I was about to give an illustration; I need not name the province, though I suppose there is no reason why I should not do so. Here is a provincial marketing board that has been set up already, and how is it constituted? One member is the deputy minister of agriculture; naturally he is associated with

farming rather than with fishing. Of the other two members one is the president of a big fish canning company—a very worthy man, no doubt, but still the president of a fish canning company—and the other is a commission merchant. Considering the place from which that gentleman comes I think the chances are that his commission business is connected with the sale of fish. So on this board we have a man ignorant of the fishing business and two men whose interests lie in the marketing of the product rather than in the industry itself. That is only an illustration I happen to pick up, but that is how it is going to work out right along.

To go back to what I wanted to say, Mr Chairman, we now have it stated by the opposition and admitted by the government that this act contains compulsory features. I do not know why on earth there was so much delay in admitting that fact, because to anyone reading the bill it was quite obvious that compulsion was there or it would not be worth the paper on which it was written. Personally I am not nearly so much afraid of the compulsory features as my hon. friends to the right are. I have seen cases where it might be necessary for the majority to exercise some compulsion over the minority. I am not so much afraid of that feature, but I am very much afraid of the way in which these men will be appointed who will exercise these very extensive powers. That is the danger of the situation. The hon. member for Provencher spoke of sixty per cent and forty per cent of the producers. The British act says there must be two-thirds in favour, which would be 66⅔ per cent. Considering the different conditions in this country I would go further and make it seventy-five per cent here, but there is nothing in the act that guarantees that even any percentage will be required.

Now that the minister has somewhat come down from what he wrongly believed was the proper attitude of ministerial reserve and told us something of what he thinks of the bill and of his intentions and motives, I understand and grasp his troubles more than I did previously. He is up against this question of dual control, which hampers him at every turn. Then take the dominion board. What is the use of talking about sixty per cent or forty per cent in that case? They will be all appointed by the dominion government, and we are not even told whether the board will consist of three or of thirty members; we are not even told what they will be paid or who they will be, though we might hazard a shrewd guess. In the New Zealand and British acts that is all laid down to the very last degree. As the hon. member for Last Mountain pointed out, there are eight or nine different procedures, safeguards and channels in Great Britain which had to be gone through before the scheme is finally passed, but the dominion board will be nominated entirely by the government. The same thing may be said with regard to the provincial board. The minister says that he feels that he cannot exercise many of these powers because of the British North America Act, they will have to originate in what he calls the local board, and the local boards will have to do with the schemes. In the meantime we have no control over them, and in the end I always run up against this vicious section 9, where the bill after setting out this elaborate yet vague—and perhaps necessarily so—system of constituting these boards, wipes it all out of the picture by saying in section 9 that the minister can do the whole thing himself.

I believe the trouble is largely one of dual jurisdiction. The minister says there are these two boards, and he will not be able to dictate to any great extent to the local or provincial board because under the British North America Act it comes under provincial jurisdiction. The Minister of Justice, replying to the hon. member for Provencher, went very fully into the question, and finally he said that there may well be a scheme, not two schemes but one scheme, one part of which—and I think this would often happen—would be administered under provincial regulations and provincial authority and perhaps under provincial law, under provincial control, at any rate, and the other part of which would be administered under this act and by dominion authority. Just follow that out and think of two jurisdictions, one in British Columbia and the other in Ottawa, different jurisdictions more or less antagonistic, at least with each uninformed of the troubles of the other, and attempting to deal with the same product. Who is going to sit by and say, with the voice of omniscience: at this particular moment and on this particular point of a railway the jurisdiction of the province ceases and that of the dominion begins? There is going to be one grand, enormous muddle.

I would suggest to the minister that he could have proceeded along the line followed in the Old Age Pensions Act. There we had dual jurisdiction and much of the trouble that has been suggested here. But that was got around by the dominion government saying: We will put out a skeleton agreement or a skeleton act applying to all the provinces and this skeleton act must be the basis, and if

you care to come in, all right, we will make a deal. Of course, the situation was easier there because the dominion government was making a grant of money and made acceptance of the skeleton act a condition for receiving the money. They had no trouble at all with the provinces. The provinces had to agree to it, and they said: We will accept those terms. It was the easiest way a thing of that kind could be handled. I suggest to the Minister of Justice that we might have proceeded along similar lines in this case, and that if we had put forward a skeleton act we could have covered many of the objections I have already named. We could stipulate for a local board composed of so many members, elected in a specified way, and could have said: If you do thus and so, we the dominion government will do our share in cooperating along these prescribed lines. That would have been the price of dominion cooperation. But as it is now, we may have a board in British Columbia composed of three men, and one in Nova Scotia composed of ten men. We may have the British Columbia board elected by the producers, and the Nova Scotia board appointed by the government.

As I said before, I do not want to be a pessimist. There is some good principle in this bill, but unless some enormous changes are made in the bill I do not know if it is possible, on account of the dual jurisdiction, to accomplish anything. In fact, I think it is going to be a complete fizzle, and impossible to work out, and that it will only make us a laughing stock from almost every point of view.

What I suggest is this. I go a long way with the minister when he says that there is need for some of the features of this bill. He could not have made a better argument when he said some days ago: We must have some act to deal with the need for restricted quotas. The British government and other governments have decided that we must cut down on our export of certain articles, beef, for instance. In that case there was some form of negotiations I believe, involving some trouble for the minister. Those troubles will increase. The British government will from time to time simply notify us: You must cut down on your quota of this or that article. But as the minister said, how can we cut down on a quota when we have no means of regulating that particular product? I admit that there is need for an act of this kind so far as that is concerned, but I suggest that it should be limited to our export trade. Let us walk before we run. It is very like seeing a man walking along the road. We want to help him, and instead of giving him a team or a truck or a motor car, or even an aeroplane, we suggest that he proceed by way of a rocket. That method of transportation is very much in the clouds at present. We do not know much about it. It has not met with any success. Would it not be much better to start by giving the man a team or a truck to help him along, and then as we learn by experience we could impose more and more restrictions? We have precedents for that, and we could regulate not only the quantity but the quality exported. We have, for instance, the New Zealand precedent. They have two acts, one dealing with frozen mutton and the other with dairy products. One has been in force since 1913, and the other since 1921, and both have been an unqualified success. New Zealand went slowly and moderately at it. They said: No mutton and no dairy products unless it is of a standard grade shall leave New Zealand, and none shall leave without permission, so as to prevent the flooding of the market in Great Britain at the wrong time. Their acts have worked well. New Zealand, of course, is one corporate body. It has not the divisions that we have, with our nine provinces and conflicting jurisdictions. We could avoid all that by following New Zealand's example and dealing only with the export trade to start with until we see how the thing works, and then we could develop it in the future if necessary.

People are asking: Where does the producer come in? The hon. member for Winnipeg North Centre pointed out the other day that in the British act the individual producer is protected. After going through no end of formalities and procedure, if the minority producer does not think he has a fair deal, he can go before a board of arbiters and they will deal with the situation. There are also no less than two boards dealing with the rights of consumers.

How does New Zealand handle it? Instead of having a board appointed by the government, political appointments with all that that suggests even if it is not carried out, they have a board composed in the one case of twelve members, and I forget how many in the other. The board of twelve is appointed in this way. Two are appointed by the government, but must be approved by the producers. Probably they would be government officials and no one could object to that. Then nine, I think, are appointed by the producers, and mark this, please, Mr.

Minister; they are appointed by and from the producers, not from the marketing end. They must be producers and elected by them, and the government appoints them on the recommendation of the producers. Having eleven so appointed, a twelfth can be appointed by the government as a representative of the marketing end. That is fair enough surely. Their interests are looked after.

But it is not possible under the New Zealand act to have a board such as my hon. friend from Gloucester suggests. A board composed entirely of the marketing end could simply deliver the producer, in the case of the fishermen, into the hands of the marketing end, which has happened in the past, as we know, and can be a source of abuse, if you want to put it plainly.

I do suggest that the minister might consider, after all the trouble he has seen develop both in this house and outside, for I know that he is having representations made to him, whether it would not be wise to confine this act for the present to dealing with our export trade only, and then once the scheme has got started and we see how it is going to work, and the early troubles have been smoothed out, we should be in a much better position to go on with a scheme of this kind. That suggestion would do away with all these troubles that are likely to arise from dual jurisdiction. I think double jurisdiction is the thing that is going to wreck this bill.

Mr. MACKENZIE KING: Mr. Chairman, following the remarks of the hon. member for South Perth with regard to a combination of the milling industry, it seemed to me that the minister sidestepped a little in his reply by saying that if a scheme were presented to a provincial government a provincial government might authorize it, that they had that power anyway at the present time. But he did not make any reference to what would be the effect of the scheme if presented to the board that is contemplated being established under this act.

I would like to ask the minister this question: If a majority of the milling industry in a province were to apply to the board for a scheme to be put into operation—

Mr. WEIR (Melfort): Federal or provincial board?

Mr. MACKENZIE KING: Federal board, and the federal board approved the scheme, and the minister and the governor in council approved it, would the remaining members of the milling interest be obliged to come under the regulations that would be laid down under the scheme?

Mr. WEIR (Melfort): It would depend what the scheme was.

Mr. MACKENZIE KING: It would depend what the scheme was, but I say assuming that the scheme is approved by the federal board, by the minister and by the governor in council. I do not imagine they would approve it unless they were satisfied it should be approved. But if it were approved and say sixty per cent had put forward the proposed scheme, would not the remaining forty per cent be obliged to enter the organization and come under the regulations?

Mr. WEIR (Melfort): My understanding is that if that was one of the conditions of the scheme, the remainder could be forced to come in. Hon. members opposite have been repeating themselves with their references to sixty and forty per cent. I hope those references were made only by way of illustration. I think we are all agreed that the success of any scheme under which compulsion would be necessary would be more likely if there was the highest possible percentage.

Mr. MACKENZIE KING: I am obliged to the minister for his direct answer. It brings out an all-important feature to which sufficient attention has not been given as yet. As the minister says, the government may require a majority of seventy-five or eighty per cent, or it may require a majority of only fifty-one per cent, but the effect will be that if a majority in any industry having to do with natural products present a scheme to the minister and that scheme is approved by the board, by the minister and by the governor in council, it then becomes so far as the locality to which it applies is concerned the law of the land, and others engaged in the same pursuits will be obliged to obey whatever regulations may be thus laid down. That will be true of the milling industry. It will be true also of the canning industry, whether it relates to the canning of vegetables, the canning of fruits, the preserving of the products of the orchards or the gardens. It will apply also to dairy products. It will apply also to the canning of fish. It will apply also to lumber mills and like concerns. But it goes even further; it will apply to the storing of any or all of the things mentioned under "natural products." A majority of those engaged in the storing of any natural product may present a scheme to the government.

Once it is accepted in the way I have indicated it becomes law and the remaining concerns will be obliged to come into this scheme or be subject to penalties of both fine and imprisonment. But it goes beyond storing; it takes in cold storage and those who are in the warehousing business in connection with any of these natural products or derivative products. It goes beyond that; it takes in shipping. The definition of a natural product is:

"Natural product" means any product of agriculture or of the forest, sea, lake or river, and any article of food or drink wholly or partly manufactured or derived from any such product.

The definition of marketing is:

"Marketing" includes buying and selling, shipping for sale or storage and offering for sale.

We know now that the act may be used in the way I have indicated. Surely it is going pretty far to ask this house to enact legislation of that kind. It must be remembered that this action may be taken when parliament is not in session and without any power on the part of parliament, until it repeals the act, to alter the effect of a scheme put into force in that way. This is an aspect of the matter which I think may surprise some hon. gentlemen opposite and should of itself be sufficient reason for altering very materially many of the provisions of this bill. The power is specifically given for the creation of monopolies in large numbers of industries, and such power should never be given in this country. The act might well be termed an act to create combines and monopolies. After listening to the remarks the other day of the Minister of Trade and Commerce in reference to the importance of large organizations, I begin to wonder whether it is not the intention of this legislation to bring about consolidations in some of these industries I have mentioned, or others which might be included, and to prevent competition not only between primary producers but between many of the manufacturing concerns engaged in the manufacturing of natural products. It is important that we should understand that this bill goes that far, that it enables that kind of thing to be done.

Mr. RALSTON: I desire to join with the hon. member for Comox-Alberni in what he said as to the application of this bill to the fishing industry. If this bill means what it appears to mean, I think it would be far better if it were not applied to that industry. Applying it to my own constituency, it would mean that the men engaged in the lobster industry who own their own boats and carry on their own operations will be subject to possibly three different authorities in connection with the marketing of lobsters and lobster products.

Mr. WEIR (Melfort): Only if they request it.

Mr. RALSTON: I thought perhaps the minister might make that answer. I should like him to point out anything in this bill which states expressly that the dominion marketing board, constituted and empowered by section 4, has not the full authority without any request being made by anyone to exercise the powers contained in section 4. Perhaps I have missed it altogether, but I should like the minister to tell me if there is anything in the act which restricts the board.

Mr. CASGRAIN: There is nothing.

Mr. NEILL: There is only the hope.

Mr. WEIR (Melfort): As I have stated on a number of occasions, where an industry desires to organize in order to assist in the regular marketing of its products, the dominion marketing board may in certain emergencies take steps which it sees fit to assist the marketing of those products.

Mr. RALSTON: As I understand it, under section 9 the minister himself may devise a scheme and authorize the dominion marketing board to carry it into effect. But in addition to that section 4 gives unlimited powers to the board. Under that section, three, five, seven or nine people appointed by this government are to be given the power to do the things mentioned in the section. I come back to my fishermen again. So far as the dominion marketing board is concerned, it may say to John Jones who is fishing lobsters, "You cannot ship your lobsters to-day; you must hold them." It can say, "You must ship them in such and such a manner; you must ship them by well smack or by the Boston boat." It may prescribe the quantity which can be shipped as well as decide upon the quality. I assume that would include the measurement of the lobster. These things may be done. One fisherman may be allowed to ship his product subject to certain regulations, which another may not be required to comply with. As I understand it, the bill in the first place gives these extraordinary powers, and I want the minister to be definite when giving me an answer, to the dominion marketing board constituted by the governor in council under section 4.

Mr. DUFF: The local board.

Mr. RALSTON: No, that is the dominion marketing board. Secondly, a group of men who are considered by somebody as being properly representative—

Mr. NEILL: So considered by themselves.

Mr. RALSTON: No; they are to be passed on by the governor in council as representative of the industry; and they may themselves promote a scheme and submit it for approval, in which event the dominion marketing board may delegate to the local board the powers which the dominion marketing board have. That is the second body which may regulate. The third is that the minister under section 9 may himself devise a scheme and then instruct the dominion board to carry it into effect. But I do not see in this act anything which requires any body to propose a scheme before the dominion board can exercise these almost unheard of powers. It seems to me that the dominion board has full power to operate with or without a scheme as it sees fit, and the result is that all sorts of discrimination can take place as between various lobster shippers.

Now what is going to happen? The men are there, individuals operating lobster boats. There are companies who are operating in a large way, somewhat in the same manner as the hon. member for Gloucester indicated. They possibly may get the preference, with the result that the small man is forced to come in and accept regulations which are perhaps more beneficial to the man shipping on a large scale.

I submit that the element of arbitrary compulsion appears all through the act, and the suggestion of this being done at the request of someone does not quite paint the true picture of the effect of this legislation. Let me give another example. I know that at the present time certain people in Nova Scotia are negotiating with regard to the shipment of fish to Brazil. They hear that Newfoundland is under royal commission, and it is possible there may be regulation of export from there. Nova Scotia at the moment is free of export restrictions; there is no regulation of any kind in that province relating to the export of fish. This firm is being asked now whether or not they can handle shipments of fish to Brazil in view of the fact that shipments from Newfoundland are likely to be restricted. They are faced however with the possibility that one of these three authorities may exercise power over them and say to them, "You cannot ship fish to Brazil or you can only ship a certain quantity or at a certain time," with the result that they lose that market. The other day I saw a letter, written by a Nova Scotian fish firm after the introduction of this bill, indicating to the Brazilian importer that there was no use attempting to give any guarantee about delivery with this bill hanging over the producers. Perhaps I misapprehend the bill entirely, but it seems to me that there are three different authorities, and the dominion marketing board has absolute authority without any request from the producers and whether they want it or not.

Mr. MARCIL: I agree with the criticism made by the leader of the opposition, by the hon. member for Comox-Alberni and by the hon. member for Shelburne-Yarmouth with regard to fishing. It must be evident to the government, at this stage of the proceedings, that when a member who voted for the second reading of the bill, a man of the competency in fishing matters which the hon. member for Comox-Alberni possesses, takes exception to the bill in committee, the house is not in a position to deal with the matter properly, especially in view of the fact that the announcement has been made several times that the bill will be amended in some very material respects. I submit that it is not fair to those who voted for the second reading of the bill—such members as my hon. friend from Comox-Alberni, who threatens now, if certain amendments are not made, to oppose the bill altogether—to ask us now to pronounce upon it before the whole measure is submitted to the house. I suggest that the Minister of Agriculture and the Minister of Justice would be wise to report progress until we have the full measure before us so that we may be in a position to know just where we are. Some hon. members have said over and over again that if the bill is amended in certain respects they will support it; other members who voted for the second reading threaten now to vote against the bill if those amendments are not made.

An allusion has been made to the Gaspe peninsula. There are two classes of men connected with fishing in that part of the country—the fisherman proper, who is of course the producer, and the dealer in fish. Is the local marketing board going to be composed of fish dealers or of fishermen or will it be a combination of both? The fisheries in the province of Quebec are under the control of the provincial government. Now, the province has commercial agents throughout the world, in London, Paris and elsewhere, and lately it has sent a commercial agent to Italy to find a market for dried Quebec codfish. So that once we deal with interprovincial or international trade the

question becomes one of federal concern, and is not in accordance with the situation that exists at the present time, because for years, as I say, Quebec has had commercial agents in London and Paris and in Brussels as well, and still has. I repeat, it has sent a man lately to Italy to have them deal directly with the Quebec fisheries.

The Minister of Fisheries, pro tem, declared the other day in response to a hundred or more petitions from the province of Quebec, asking that this dual control over the fisheries of that province be cleared up, that he could do nothing unless the government of Quebec abdicated its control over those fisheries. The Quebec government does not seem disposed to do this. It is trying to find markets at the present time for fish produced in the province. I should like the government, in view of the situation as I have outlined it, to deal fairly by these fishermen.

When the hon. member for Lunenburg suggested that fishing be investigated by the price spreads committee, I supported the application, but no evidence has been heard yet before that committee with respect to the fisheries. This bill I submit should have been sent to a special committee before whom men competent to speak for the various industries could have been heard. We all want to build up trade; that is important and we need it badly. The condition of trade in this country at the present time is without parallel in Canadian history, and therefore we wish to cooperate with the government. But, I submit, we want first of all to know what they propose to do. Furthermore, I am of the opinion that we should have before us in its entirety the bill as they intend to amend it so that we can understand it and discuss it intelligently.

The Minister of Agriculture need not be surprised if those who voted against the second reading of the bill persist in their criticism of it when those who voted for the second reading are now lining up against it and threatening to vote against the third reading unless the bill is materially altered.

This bill deals with two things, production and marketing. The producers in my constituency are the fishermen who take the fish out of the water; the marketing is done by the fish dealers. Who will constitute the local board in that constituency? Will it be the fishermen or the fish dealers or the province of Quebec, or will it be partisans appointed by the government? We find ourselves in this position. That province is itself marketing abroad. Will you pass legislation here to prevent the province from finding a market for the product of fisheries which are entirely under their control? If you do this you run up immediately against divided jurisdiction. There will be an appeal to the courts and the constitutionality of the act will be attacked. No act of parliament is worth the paper it is written on unless it is backed up by public opinion, and where there is substantial opposition to a measure in parliament the government of the day is warned that it cannot in fairness ask the house to pronounce finally upon the bill unless the whole bill is before us. Once more I suggest to the minister that if he is properly advised he will report progress and in the meantime bring down the amendments.

Mr. CASGRAIN: Section 5 deals with the submission of petitions. The petition must be made by "a representative number of persons engaged in the production and marketing" and so on. Can the minister tell us what is meant by a representative number of persons asking that a board be set up to regulate the marketing of a certain product? What would be the number considered necessary to constitute "a representative number of persons" in accordance with the terms of the bill?

Mr. WEIR (Melfort): That would depend upon the scheme submitted, and the conditions with which it was dealing, and the extent of the representative number of persons would be finally decided by the governor in council on the recommendation of the board through the minister.

Mr. CASGRAIN: The minister has not answered my question. No doubt when this bill originated in the minds of the minister and the other members of the government they must have had explanations and information submitted to them either by the trade or by the local people or by a certain class of persons connected with some commodity. They must now have in mind some idea of how many are to constitute this representative number of persons. At this stage of the proceedings, after we have discussed the bill in the full house and have debated it in committee of the whole for a few days, the minister says: "I do not know exactly; that will depend upon the scheme submitted, upon the circumstances, and the government will pass an order in council." I cannot believe that the minister is not in a position to tell us: When a scheme will be presented to us in connection with a certain commodity, for instance, for the sale of potatoes or fish or wheat or lumber, we will require that say fifty-five

or sixty per cent of the persons connected therewith is necessary to constitute a representative number in order that we may consider their proposal. It is not an answer for the minister to say: "I do not know just now; that will depend upon circumstances."

Mr. WEIR (Melfort): If we did not have the difficulty of trying to frame a bill that would fit into the provincial as well as the federal picture, such a question would be easily answered. But suppose we were to place in this bill, as we did at the beginning, the percentage that it was thought would be desirable to give effect to a scheme, that is, so that there would not be too great opposition from those who would be forced in, that would have meant this: in Quebec if a certain number of producers applied to the provincial government with a scheme for the formation of a board, we would then be forcing our opinions on what might not be the judgment of the government of Quebec. That is one reason we did not set out in the measure any definite percentage. There is freedom within any province for the formation of a provincial marketing board with conditions imposed as the provincial government in its wisdom sees fit and it is in a better position to deal with matters in its own province. We in turn cooperate with them and use, not two or three boards as some speakers have suggested, but the one board with a dual power. For that reason the percentage might vary in the different provinces. We have at present dual jurisdiction with reference to grading, for instance the fruit and vegetables act, the different live stock acts. Our purpose in not stating any definite percentage was just to overcome any difficulty as between the two jurisdictions and so far as possible to leave to the producers and those entrusted with the administration of the provincial legislation, their own judgment in the matter.

Mr. CASGRAIN: I am not convinced and I do not think the members of the committee are convinced that the minister has answered my question in saying that the provinces have to be consulted and considered as to the number of persons who are to come in and present a certain scheme.

Mr. WEIR (Melfort): Not that we would consult the provinces as to who would constitute a representative number of persons. The producers in a province wait on the provincial minister, or the provincial marketing board if one is established in the province; they submit their scheme; in that scheme they may state what percentage would be considered a representative number, but the responsibility for the decision would be on the provincial government and, I think, rightly so, because they are closer to the problem.

Mr. CASGRAIN: I do not understand the minister's last statement.

Mr. WEIR (Melfort): Might I ask the hon. member a question? Had he decided he would not understand before or after I answered?

Mr. CASGRAIN: I do not think it is right for the minister to say that, because ever since he has been in the house I have always treated him well. I might have been harder on him but I have acted like a gentleman towards him.

Clause 5 states:

A representative number of persons engaged in the production and marketing or the production or marketing of a natural product may petition the governor in council to approve a scheme—

And so forth—not the provincial government. It does not say that they have to submit their scheme to the provincial government. This representative number of persons has to deal only with the minister who is in charge of the bill and who will be in charge of the administration of the act. He submits the scheme to the governor in council; then an order in council is passed, and finally the scheme goes to the board to be administered.

The clause provides that the petition must be filed at the office of the minister and if he decides that the persons connected with the production or marketing of this natural product are sufficiently represented by the petitioners, then the project is sent to the council with a request that it be approved. There is not a word in that clause providing for consultation with the provincial government in connection with the matter.

Mr. WEIR (Melfort): The hon. member is not referring to the whole bill. If he reads the whole bill, he will find that reference is made to a provincial board—

Mr. MACKENZIE (Vancouver): Or local board.

Mr. WEIR (Melfort): —local board set up within the province. This reciprocal arrangement is made between the federal and provincial governments.

Mr. LAPOINTE: The minister says that the bill when first drafted contained a provision as to the proportion which would be

required for the establishment of a board and that because of possible difficulties with the provinces concerning jurisdiction the provision was dropped and the words "a representative number of persons" was inserted. Would the minister have any objection to telling us what was the proportion that he or the government had in mind?

Mr. WEIR (Melfort): I do not see that any purpose would be served by my giving my personal opinion, any more than any other hon. member. But I would say seventy-five to eighty per cent. The greater the number that could be brought in voluntarily the easier the plan would be to operate. I know that in one instance at least the producers themselves in our discussions suggested eighty per cent, and some I believe, would go even higher than that.

Mr. CASGRAIN: In certain parts of the province of Quebec, I would not say unorganized districts but territories that are very large, such for instance as the district I have the honour to represent, extending for four or five hundred miles, will there be any local board constituted? In these districts the people live in small communities, in some places thirty or forty or fifty fishermen. I think the hon. member for Antigonish-Guysborough will bear me out because he has dealt with these people, more especially from Havre St. Pierre and down below. How will these people be enabled to take advantage of this legislation? Will there be any board set up for instance in such a district as that below Quebec, or will there be only one in Quebec which will have supervision all over the province, or will there be one connected with farming products and another for the marketing of fish that will embrace Gaspe and the north shore, or will there be one division for my county and one for the Gaspe coast? I would like to have this information because it has a certain bearing, on account of the fact that this district is very remote and sparsely settled, and distances are very great. I see the hon. Postmaster General (Mr. Sauve) who was in this district last summer; he told me he had a great reception there, but he saw that the country is very extensive and sparsely populated.

Mr. WEIR (Melfort): If the producers in the district to which the hon. member refers, no matter how distant or how isolated it is, wish to get together and submit a scheme that will assist them in the more effective marketing of their product they may do so, submitting it either to the provincial or the federal government. They may define the area. There might be another area that also asked for or submitted a similar scheme.

Mr. MACKENZIE (Vancouver): Is it possible for some local board to apply to the provincial government and reapply to the dominion marketing board under this legislation?

Mr. WEIR (Melfort): Yes, that is the intention.

Mr. CASGRAIN: I think what the minister has said is good; if these people want to organize they can set up their scheme and the board might be constituted. But I am saying that in certain places the people live in small and widely scattered communities, where communication is difficult. There is no point of contact, no board of trade, no cooperative organization. I think the bill would have a certain merit in connection with the sale of products for export, because in that case some dealer like my hon. friend the member for Antigonish-Guysborough might come in and give good prices to my people. But many dealers are not as good as he is, thus the fishermen have lost a lot of money because they had to take whatever prices were offered. I see a difficulty for these poor people who are not in a position to organize a board as the minister has mentioned. He has told us that there should be a representative number of persons, in accordance with the size of the enterprise or the district concerned. I am pleading the case of the poorest fishermen of the province of Quebec, those who I dare say, have suffered the greatest hardship for the last four or five years. I am asking the minister if he can tell me the means whereby these people can get the help of this bill. He says it could be done by grouping themselves together, but I do not see how they could do it, because they are isolated, fishing in the sea, and they have no point of contact. I would like to be enlightened as to how these people could proceed to get the benefit of this bill.

Mr. WEIR (Melfort): The initiation of the scheme might start at a different place, where settlement was closer, and in the wisdom of the provincial board or the federal board these isolated communities could be included.

Mr. MACKENZIE (Vancouver): There is no such term as "provincial board" in this bill.

Mr. McINTOSH: The minister means local boards, does he not?

Mr. WEIR (Melfort): The province can set up a provincial board, and it is provided later in the bill I think that we may use such a local board set up by the province. A local board, if the hon. member wishes to call it that.

Mr. McINTOSH: May I ask if beside the provincial board you may have a local board?

Mr. WEIR (Melfort): Right.

Mr. McINTOSH: Confusion arises by the use of these two terms. The terms should be differentiated.

Mr. WEIR (Melfort): To finish my reply, it was just to meet a situation similar to that to which the hon. member referred that section 9 was introduced.

Mr. CASGRAIN: Do you think section 9 would apply?

Mr. WEIR (Melfort): It could be made to apply.

Mr. CASGRAIN: Then the same objection might be made, that those people might be forced to come in and submit to some regulation that would not be convenient to them. I do not know which minister will be in charge of this bill. If it were the Minister of Fisheries he would have knowledge of the matter, but if it were the Minister of Agriculture, although I have great respect and admiration for him, I do not think he would be a proper person because he would not know the situation of the fishermen.

We have not yet asked this question; I am going to ask it now. Who is to be the minister who will have charge of the conduct, the administration, the putting into effect of the orders in council and the administration of this whole act? For a minister to exercise the powers vested in him in section 9 he would have to know the conditions that pertain in such districts. If it is to be the Minister of Agriculture, what will he know of conditions in the fishing industry? If it be the Minister of Trade and Commerce he would not know it at all. The only man who would be in a position to know the conditions concerning the fishing industry in Quebec and Gaspe and on the north shore of the St. Lawrence or in the maritime provinces would be the Minister of Fisheries. I would like to know what minister will have charge of the administration of this bill when it is passed.

Mr. WEIR (Melfort): The bill states that the minister to administer this act will be the one designated by the governor in council, I believe.

Mr. CASGRAIN: Has the minister any idea what minister is going to be designated? It is all very well to say that, but we have a right to know. We are called upon to vote for a bill, to enact legislation, and we do not know who is to have the administration of it. As I have explained, it has a great bearing on the matter from the point of view of the district I represent. It is necessary to have a man fully conversant with the situation of a given industry. All the ministers are not qualified, although each separately is well qualified for his work, but he has not studied this special question. The Solicitor General is between the curtains, perhaps he will be the one that will be in charge of this bill.

Mr. DUPRE: I am sorry, I did not catch what my hon. friend said before I came in.

Mr. CASGRAIN: I am not saying anything disparaging; on the contrary I was only asking who would have charge of this bill. The minister said that would be decided by order in council, and I was pointing out that it should be some person conversant with conditions obtaining in certain territories. I was talking of the fisheries, more especially with reference to the province of Quebec, and I was saying that while my hon. friend the Minister of Agriculture is well qualified in matters of agriculture he might not be so well qualified in regard to fisheries. Perhaps some other minister would be better qualified than either the Minister of Agriculture or the Minister of Fisheries, but we should like to know who will have charge.

Mr. McINTOSH: What about the Postmaster General?

Mr. CASGRAIN: The Postmaster General may have developed a taste for that, because he went down the lower St. Lawrence for the first time last summer. He was well received, and he liked it down there, but of course the fishing industry is a rough trade.

Mr. DUPRE: Are all these compliments given because you want to gain time?

Mr. CASGRAIN: Not at all; my hon. friend knows we do not need to do that. Time is with us in the discussion of the affairs of this country to-day. Your days are numbered; you are dead, but you are not buried yet.

Mr. MANION: You boasted just as much in 1930.

Mr. CASGRAIN: My hon. friend only has to look at the results of the last few by-elections to see how we are standing with the people of this country. That has been shown by the majorities given the members elected

to this side of the house. The government did not elect one member and they cannot elect one. The government cannot elect anyone in any part of the country to-day; the people do not want them.

Mr. DUPRE: My hon. friend still has six minutes left.

Mr. CASGRAIN: I was just saying that we want to know who will be in charge of this bill, and it was stated that this will be decided by the governor in council. I see the right hon. Prime Minister in his seat now.

Mr. BENNETT: Yes. I was wondering why we could not work Wednesday nights.

Mr. CASGRAIN: We have been working all afternoon, and if more ministers had been in the house we might have had some further explanations. Now we have a majority of council here, so perhaps we can find out what minister will be appointed by order in council to administer this bill. I have asked several of the ministers, but they could not give me any answer. Now I am going to ask the Prime Minister.

Mr. BENNETT: He will answer you at once, as soon as you sit down.

Mr. CASGRAIN: Very well.

Mr. BENNETT: It is never the practice, under British constitutional government, to anticipate the action of the governor in council. The hon. gentleman is a student of the constitution, and he should know that.

Mr. LAPOINTE: The practice is to state in the statute which minister will administer it.

Mr. BENNETT: No. That was not followed by the hon. gentleman himself.

Mr. LAPOINTE: That has not been the practice of the right hon. gentleman, but there is a difference between his practice and the British constitution.

Mr. BENNETT: May I point out why it is done in this way? Death does sometimes destroy people, and in order that it may be possible to assign to any particular minister the administration of the act this procedure is followed. This is the modern practice with respect to the administration of a bill or a statute. It is administered in the first instance by the minister who takes charge of it, but conditions may change; life is not certain. We simply provide here that action may be taken in this way.

Mr. LAPOINTE: That is better than the British constitution.

[Mr. Casgrain.]

Mr. BENNETT: As to the governor in council, I think my hon. friend the ex-Minister of Justice will admit that it is not customary in any parliamentary institution to anticipate by a statement what action might be taken by the governor in council, because possibly the speaker at the moment might not be a member of that council.

Mr. LAPOINTE: Does my right hon. friend remember the eloquence he displayed when he was attacking that procedure? He referred to it as the new despotism referred to by Lord Hewart, the doing by regulation or order in council of things which ought to be done by parliament? My right hon. friend was correct at the time, and I hope he will endeavour to make his actions conform to his views and expressions of opinion at that time. I think my right hon. friend was much better when he was leader of the opposition, even so far as the British constitution is concerned, than he is to-day. Power is spoiling my right hon. friend; really I think he ought to go to purgatory for a short time to purify his constitutional soul.

Mr. BENNETT: You know, Mr. Chairman, it is so delightful to hear the hon. gentleman speak in these terms, for his genial good humour so much more becomes him than the other attitude he sometimes assumes. When he indicated a moment ago that he thought I was right in the observations which I directed to the house some years ago I only regretted that it took him so long to discover it. I feel perfectly confident that after the same length of time that has elapsed since those observations were made and to-day, he will realize that I am right now. I have no doubt as to that.

I am sure my hon. friend does not desire to confuse this matter with that with which Lord Hewart was dealing. He was dealing with a statute which conferred upon the governor in council the power to legislate, and he said that was going too far. Chief Justice Mulock, of Ontario, took up the matter the other day in an address at a banquet, in which he dealt with it in much the same way. Some of the members of the British government replied to Lord Hewart, pointing out that it is perfectly clear that in these modern days you must have large authority vested in the executive to meet conditions which change every day. We must be able to meet those conditions and that is why regulations having the force of law are passed by the executive. I am sure if the hon. gentleman will just carry his mind back to the administration of law in his time he will realize that without this power it would be practically impossible

to conduct the government. Supposing you set out your regulations and make them part of the statute; supposing we had done that two years ago—

Mr. RALSTON: Naming the minister is what we are talking about.

Mr. BENNETT: I am dealing with what the hon. gentleman was saying. I think it would be impossible to name the minister.

Mr. RALSTON: Designate him.

Mr. BENNETT: Designating the minister is not, it seems to me, imperative by any stretch of the imagination. It might be desirable, but I have explained why it has not been done. With man's uncertain tenure of life, or for other reasons, it may be desirable to transfer the administration of a statute from one minister to another. That happens frequently in Great Britain; it happened here, for instance, in connection with the mounted police. When I first came to this house in 1911 the Prime Minister administered the mounted police, but they were transferred to the Minister of Justice for reasons that are quite obvious. I could name other statutes the administration of which has been changed from time to time by executive action.

Mr. MACKENZIE KING: Is there not a general statute which empowers the governor in council to make such changes? Did not Sir Robert Borden put through such a statute?

Mr. BENNETT: Yes, to enable that to be done, and in order that there might be no question it is so stated in this statute as a matter of abundant precaution. I do not think any complaint should be made because this practice has been followed. It is not important; there is no great principle involved. It is a question as to which minister shall administer the statute, and the minister who will administer it will be that minister who, from the condition of his own department, might have the best training to carry on that administration with the least expense to the country. That is all. There is no sinister motive behind it, or anything like that; there is no sinister design, but merely a desire.

Mr. LAPOINTE: The trouble is that parliament is unable to secure any information as to what is going to be done. I do not imply that there are sinister motives of any kind, but surely we have the right to some information before giving our assent to legislation of this kind.

Section stands.

Progress reported.

74726—187

At six o'clock the house adjourned without question put, pursuant to standing order, until Friday, May 11.

Friday, May 11, 1934

The house met at three o'clock.

CIVIL SERVICE COMMITTEE

Second report of the special committee on the Civil Service Act—Mr. Bowman (for Mr. Lawson).

PRIVILEGE—MR. LUCHKOVICH

Mr. MICHAEL LUCHKOVICH (Vegreville): Mr. Speaker, I should like to correct an erroneous report which appeared in the May 10 issue of the Ottawa Citizen. This is in connection with some remarks I made as to the stand of the Hon. J. E. Brownlee, premier of Alberta, in connection with the marketing bill now before the house. The Ottawa Citizen reports me as follows:

> Six provinces have passed companion legislation, announced the agricultural minister, surmounting the constitutional problems arising out of divided authority over trade. Three provinces, Prince Edward Island, Nova Scotia and Alberta have not made known their positions. It was stated by Michael Luchkovich, United Farmer member for Vegreville, that at least one premier, J. E. Brownlee, of Alberta, was opposed to the bill.

This report is wrong in two instances. In the first place, the Minister of Agriculture did not include Alberta in the list of provinces that had not passed enabling legislation. He is reported on page 2940 of Hansard of May 9 as follows:

> We have not received copies of legislation passed, nor have we any definite information from Prince Edward Island, Nova Scotia and Manitoba.

In the second place, I never said that Mr. Brownlee was opposed to the bill. I am reported on page 2940 of Hansard of May 9 as follows:

> I understand that at least one premier has put himself on record as being in favour of the principle of the bill. I refer to Premier Brownlee of Alberta.

I based my remarks on an interview which Mr. Brownlee had had with the Toronto Farmers' Sun, wherein he is reported as having said:

> The principles of the Weir bill are directly in line with the objectives of the U.F.A.; the measure has the full support of my government.

Mr. SPEAKER: Order.

Mr. LUCHKOVICH: I should like to know how a newspaper which so often hits the nail on the head could have strayed so far away from the truth in this case.

Mr. SPEAKER: Order. What is the question the hon. member is purporting to raise?

Mr. LUCHKOVICH: This is an incorrect report in a newspaper.

Mr. SPEAKER: The matter is entirely out of order.

Mr. CASGRAIN: Take it out of Hansard.

Mr. MACKENZIE (Vancouver): Expunge.

MARKETING ACT

Hon. ROBERT WEIR (Minister of Agriculture): Mr. Speaker, I desire to lay on the table of the house copies of the proposed amendments to Bill No. 51, and also copies of provincial bills and acts passed in 1933 and 1934 relating to the marketing of natural products.

PROVINCIAL FINANCING IN LONDON

On the orders of the day:

Hon. IAN MACKENZIE (Vancouver Centre): Mr. Speaker, I should like to direct the attention of the Prime Minister (Mr. Bennett) to a question which I asked the other day of the Minister of Finance (Mr. Rhodes). This question which appears on page 2807 of Hansard is as follows:

> I should like to ask the hon. Minister of Finance what is the policy in general of the federal government in regard to permitting any of the provincial governments to enter the British financial market for refunding purposes.

The reply of the Minister of Finance in part was as follows:

> I shall be happy to direct the attention of my right hon. leader who is Minister of External Affairs to the question for any further answer which may be given on Monday.

I direct the attention of the Prime Minister to this matter.

Right Hon. R. B. BENNETT (Prime Minister): The question raised by the hon. gentleman is obviously one over which this government has no control. So far as I could ascertain at the time we made the last loan in London the tendency was not to permit provincial governments to make issues on the London market. The hon. gentleman knows quite well that that is not an open market and no issues can be made there unless the treasury has given its consent. The treasury at once accorded the Dominion of Canada consent to make the loan of last fall. While I have no definite information, my conclusion, from what was said and has since been communicated to me by representatives of the provinces, is that it would be very difficult to secure consent for any provincial government to place a loan upon the British market. That is my information at the moment. The hon. gentleman understands, of course, that there is no finality about matters of this kind; they are subject to change, having regard to the conditions that exist at the time that application may be made. And of course—I want to make this perfectly clear—as my colleague suggests to me, the consent is not ours; it is the British Treasury's.

Mr. MACKENZIE (Vancouver): May I ask the Prime Minister a supplementary question arising out of his reply? In the event of the British Treasury authorizing a provincial government to float a loan in England, is that government, in his opinion, required to obtain the permission of the federal government before approaching the British authorities?

Mr. BENNETT: So far as I recall, the constitution of this country authorizes and permits the provinces to make loans anywhere they may desire, and on their own security. We have not endeavoured to exercise any authority over the provinces in connection with loans they may have made or may desire to make, but I think that what the hon. gentleman has in mind is that those who have money to lend have been very anxious that in some way, if money were lent to a province, they should tie the dominion up with it. Thus far they have not succeeded.

Hon. CHARLES STEWART (West Edmonton): My right hon. friend will remember that during the war period provincial governments could not negotiate loans except by consent of the federal government, and I am curious to know whether the same condition holds to-day with respect to the London market.

Mr. BENNETT: The hon. gentleman is no doubt aware of the fact that the War Measures Act, passed by the parliament of Canada in the emergency of war, dispossessed the provinces of much of the jurisdiction which otherwise would have been solely theirs, and we have the authority of the highest court in the land that the dominion, because of the war emergency, had certain authorities which they no longer possess. This is an instance that very clearly illustrates the different conditions that prevail. The Defence of the Realm Act in England gave to the

executive powers to make laws with respect to almost any matter about which they felt they should make laws, and the War Measures Act in this country conferred upon this parliament, and this parliament in turn upon the executive, powers much larger than could possibly be possessed except in case of national emergency, as was pointed out in the Board of Commerce case, by Lord Haldane. I do not think there is the slightest likelihood—at least I hope there is no likelihood—of any such condition again prevailing. At the moment, with the repeal of the War Measures Act, that power disappears as far as the provinces are affected.

WHEAT AGREEMENT

On the orders of the day:

Mr. S. W. JACOBS (Cartier): The press for the past few days has been giving importance to news from England that the Argentine government has been making representations to the other wheat quota countries asking for a modification of the agreement, looking to an increase in their quota and naturally a decrease on the part of the other countries. Could the Prime Minister give us some official information on the question, and as to who is negotiating for the Canadian government.

Right Hon. R. B. BENNETT (Prime Minister): At the conference that met at Rome a short time ago the Dominion of Canada was represented by Colonel Vanier, secretary of the High Commissioner's office, from London, England, and Mr. McFarland of Canada. The meeting was adjourned to London, Mr. McFarland in the meantime returning to Canada. Discussions have continued between the various governments at London but no final conclusion has been arrived at. Any concessions that might be made to the Argentine by reason of the extraordinarily large crop they had would not involve Canada in the loss of any shipments that we might be able to make, for the quota we had for the year was a quota that was greater than we should be able to fill under existing probabilities. In any event it would be merely a loan of a part of our quota until next year, so that we would not lose anything if we made an adjustment with the Argentine. When the matter is concluded I shall be very glad to make a statement, but at the present moment the negotiations have not reached absolute finality.

74726—187½

THE BUDGET

ANNUAL FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The house resumed from Monday, May 7, consideration of the motion of the Minister of Finance that Mr. Speaker do now leave the chair for the house to resolve itself again into committee of ways and means, and the amendment thereto of Mr. Ralston.

Mr. J. L. BOWMAN (Dauphin): In the few moments I have I purpose this afternoon discussing some problems which at the present time are uppermost in the minds of those whom I have the honour to represent in this house—debt, interest, credit, cost of farm implements and price spreads. In discussing the matter of debt I purpose dealing particularly with federal debt and individual debt, individual debt in so far as it affects the agriculturist.

It is with some diffidence that I enter upon the discussion of so important a question as federal debt. According to the budget speech of the Minister of Finance, our federal debt is represented by three items. First there is the direct debt, which amounts to $2,850,000,000; then there is our indirect debt, which is largely a railway debt, with some subsidies to harbour commissions, amounting to $990,000,000 odd; and the further railway debt, not guaranteed, amounting to $290,000,000 or in all something over $4,130,000,000

First I desire to turn my attention to the indirect debt. In a recapitulation of the indirect debt, I find that this debt is payable, part of it in Canada, part in London, part in New York, part in Canada and London, Canada and New York, and a third part, about half of it, payable at the option of the holder in Canada, New York and London. The debt, one might say, is pretty well scattered all over the lot. I find, in examining that indirect debt, the interesting fact that at the present time about 33 per cent of it bears interest at 4 per cent and under and that, according to those in authority, only about 20 to 25 per cent is held in Canada, the rest being held mostly in England and in the United States. In looking at our direct debt I find that a little over 72 per cent is payable in Canada, a little more than three per cent in Canada and New York a little more than 10 per cent in New York and the balance of about 13½ per cent in London. But what I find more interesting is that in so far as a calculation can be made about the same proportion of our direct debt as I have indicated is held in Canada, New York and London. About 70 to 75 per cent

of our direct debt is held in Canada, about 10 to 15 per cent in the United States and about 15 per cent in London. With respect to that portion of our direct debt that is payable in London an interesting fact is that all of it bears interest at rates of four per cent and under. For the time being my purpose is to direct the attention of the house only to a consideration of that portion of our direct debt which is held in Canada, bearing in mind as I have just stated that approximately three-quarters or 70–75 per cent is so held.

I also note this other interesting fact that within the next five months we have maturing of our direct and indirect debt no less than approximately $441,000,000. A large payment falls due on June 1 next and further payments up to November and in that period of five months, we have falling due the immense sum of $441,000,000 of which $424,000,000 is direct debt. In view of the fact that these large sums of money must be refunded during the next five or six months and also that 70 to 75 per cent out of 85 to 90 per cent is held in Canada, we must put on a huge conversion loan during the summer. In stating that I am saying what seems to me to be quite obvious. When I suggest that this conversion loan will be a success I have in mind the fact that in 1931 when conditions were much worse than they are at present we asked for $250,000,000 and we actually had converted something over $634,000,000, reducing interest charges at that time from five and a half per cent to four and one half per cent. The next loan we made resulted in a further reduction of interest to four per cent and during last March we were successful in placing short-term loans at 2·41 and 2·71 per cent. This indicates that from 1931 to the present time moneys have actually been loaned to the government at much lower interest rates than prevailed some three or four years ago. The loan that was placed last October has been selling recently to net the lender 3·77 per cent.

I would also point to the fact, which I think is unquestioned, that in this country the sentiment is very strongly in favour of lower rates of interest and consequently of a conversion on as large a scale as possible. I believe holders of bonds bearing interest at five or five and a half per cent realize that the rate should be lowered during these times. It seems to me that during the perilous period through which we have passed those who have been receiving five and five and a half per cent should consider it a privilege to be able to serve Canada at this time by converting those loans into bonds that would bear a much lower rate of interest, say three and a half to four per cent. I would say further that any loss that might be sustained by a conversion of this kind would be more than counterbalanced by the speeding up of business, by the creation of better feeling in Canada, and the economic life of the country would be given an impetus that would enable those who were fortunate enough to hold bonds at a higher rate to be compensated for any loss they might suffer by reason of converting them to a lower rate. I am not unmindful of the fact that many bonds that have been issued have bearer coupons attached and there is a possibility, if a huge conversion loan were put on, that some holders—and I believe they would constitute a very small percentage—might be so unpatriotic as to send those coupons abroad in order that they might be collected in New York or London at the higher rate of interest. I am also not unmindful of the fact that this government has issued certain tax-free bonds.

Mr. BENNETT: Not this government—this country.

Mr. BOWMAN: Quite so. A previous government has issued tax-free bonds. In looking over the record I find one issue of about $89,000,000 at five per cent which falls due on March 1, 1937, a second issue of some $236,000,000 at five and a half per cent which falls due on December 1, 1937. May I call the attention of the house to the fact that as regards the five per cent bonds, on March 1 next eighteen out of twenty payments at five per cent will have been made, and if the holders of those bonds convert them to, say, three and a half per cent, and if we presume that they held the bonds from the start, they would have realized during the whole of the twenty years an average of 4·85 per cent, which after all, is not a bad rate of interest on government-guaranteed bonds.

May I also point out with respect to the five and a half per cent issue to which I have referred, amounting to some $236,000,000, that on December 1 next seventeen full payments of interest at five and a half per cent will have been made. If the holders of those bonds found that it was to their advantage and to the advantage of Canada that they be converted into bonds bearing interest at the rate of 3½ per cent, and they were so converted, the average rate for the twenty years would be 5·20 per cent; not a bad rate of interest after all for federal bonds.

It had been suggested to me in discussing this matter that if we asked for only a con-

version of those bonds held by Canadians we would be showing some discrimination against our own people. Possibly so. But after all, who should come to the rescue of this country if not the Canadian himself? Moreover, might I point out that if by this conversion benefit results to Canada through the saving, through lower taxation, through speeding up the business life of the country, who would reap that benefit but the Canadian, who had converted? It is not necessary for me to point out what the benefit of successful refunding would be. We would have a saving of course, the amount of which would depend on the rate of interest at which the government of the day felt the conversion should be floated and the amount converted. If the conversion loan were successful, and I have already pointed out that in times much worse than the present we succeeded in the conversion of $634,000,000, if a conversion were made of even $1,000,000,000 or $1,500,000,000 of these bonds, the saving would be very substantial. It would result in a better feeling all round. It could not then be said that the producer, the wage earner and the business man alone had taken the loss, but it would then be made clear that the bondholders had been prepared to take their share. I am satisfied in my own mind, if I am any judge at all of the feeling of the people, that such a conversion loan could be made a remarkable success. The people are for it. We have at the present time as leader of the government in this country a man who has safely piloted the ship of state through the storm of the last four years. No man in our time is more familiar with financial transactions of the magnitude such as I am discussing. With his resourcefulness, his courage, his determination, the putting through of a huge patriotic conversion loan would be I am satisfied a tremendous success.

I have not said anything about compulsion whatsoever. Let us attempt to put this across, and after we have done so, look at the resulting picture and see what then is necessary to be done. If compulsion is then necessary let us have it, although that would be the last thing I would advocate. But after all the welfare of the state comes before that of the individual.

I have said nothing with respect to those bonds which are held abroad. I would not advocate anything with respect to them. Our credit is high in New York and London; we should keep it so. Refunding from time to time will be necessary in order to take up our obligations there. Money will be needed in Canada for development if we are to maintain the high standard of living to which we have been accustomed in the past. So I make no suggestion whatever as to the conversion of those bonds which are held abroad. It does seem to me that at the present time our credit as a nation stands very high both in the United States and London. I am reminded of the $73,000,000 loan which went across so successfully in London. I am reminded of the fact, to which I have already drawn the attention of the house, that not one dollar of the $384,000,000 which is payable in London bears interest at a rate higher than 4 per cent. Money is plentiful over there, the rate of exchange is favourable and sentiment is strong for Canada. The prestige of this government, largely because of the prestige of its leader is high, not only in London but throughout Europe. So it seems to me not unreasonable to suppose that in the very near future money from London should be made available to Canada for current requirements at an interest rate approximating 3½ to 4 per cent.

I turn to say a passing word with respect to interest on bank deposits. I understand that it is the firm opinion of the government that interest on bank deposits should be further reduced from 2½ to 2 per cent; but that some difficulty lies in the way because of the fact that trust companies, which accept deposits, are under provincial jurisdiction. It does seem to me that the provinces should be prepared to cooperate with the federal government in making a further reduction in interest charges. Everything possible should be done to get more money into circulation. I shall probably refer to that again in a moment in another connection.

Then may I say a passing word with respect to individual indebtedness. I refer particularly to the indebtedness of the agriculturist, as I represent a rural community. Speaking of debts and interest I am reminded of the presentation made by the Prime Minister at the imperial conference held in Ottawa in 1932. It might be well to bear in mind that at that time the Prime Minister of Canada stressed debts, interest, credit and prices. Speaking of interest he stated on that occasion:

> Interest charges represent the most important of the fixed or semi-rigid elements in our cost structure. If prices remain on their present level, such charges will constitute an intolerable or almost intolerable burden in many cases. Even if it can be borne, the fortuitous gain to the creditor of 40 to 48 per cent in general purchasing power above what he contracted for appears to be a grave injustice.

That was in 1932. Those same conditions exist to a considerable extent to-day, although there has been an improvement in the prices of farm products. As most members representing rural constituencies are aware, at the time when high prices of grain were prevalent in 1920, 1921 and thereabouts, farmers became indebted for very large sums of money by purchasing lands at prices above their real value and by mortgaging on a basis for which there was really little excuse, except that we are all human and we were looking to the future in the light of the prosperity then existing. Those mortgages and debts still exist in many quarters, except where readjustments have taken place or where there have been foreclosures by the mortgage companies. Some of these companies have been fair, but many have not; the latter have insisted on the strict performance of the contract and upon payment of principal and interest in full no matter how impossible of performance that might be. As a result we have had in many cases an impossible burden of debt and interest piled upon the backs of many of the farmers who borrowed money or purchased land during the period to which I have referred. The government have indicated that they propose to bring in a measure of relief. In view of what has been said in this regard it is not for me to suggest what should be done, but may I say that those who bear this burden should be given some opportunity to compromise with their creditors so that they may make a fresh start and continue to be useful citizens adding new wealth to the country.

Now I should like to refer for a moment to the matter of credit. I represent a constituency in which, fortunately, we have had very good crops; in fact there have been no crop failures during the last twenty or twenty-five years. Last year we had the best crop we have had since 1915, so in some quarters things are not so had as they are in other parts of the west. There is one matter, however, in connection with which I think the farmer has real cause for complaint; I refer to the fact that he has not been able to obtain money to finance his operations. The bankers have practically ceased to loan money to the farmers in Manitoba, and it has become absolutely impossible to secure money from private sources. Not many years ago most lawyers practising in the smaller country towns had a certain amount of private funds to loan, but that day has passed. The mortgage companies have ceased to operate; no money can be borrowed from them. The banks have absolutely refused in, I should say, seventy-five to ninety per cent of the cases to loan money to farmers who really should get loans. I particularly drew the attention of one or two of the bankers who appeared before the banking and commerce committee to the fact that the banks would not make advances for the purchase of binder twine, without which it is impossible for the farmer to harvest his crop. We were told in that committee that if the farmer was one to whom credit should be extended he would get it, but I am sorry to say that this has not been my experience in the northern part of Manitoba. The farmer has not been able to get money for his binder twine; he has not been able to get money to buy seed or to purchase other things needed to carry him through the season until his crop is harvested,—and that condition exists to-day. Surely there should be some means at hand whereby the farmer—I do not mean the farmer who cannot pay his debts, because there are such—who is entitled to and deserves reasonable credit should be able to obtain that credit in order to carry on his season's operations. I am quite ready to admit that I would not be prepared to suggest that the government should start a banking institution; we have had rather a weird experience in Manitoba in regard to rural credit and farm loans, but pressure should be brought to bear upon the banks and they should be told plainly that in a district such as the one I represent, which of course I think is the best constituency in Canada—

Some hon. MEMBERS: Order.

Mr. BOWMAN: There may be those who differ, but I believe the banks should be told that in a farming constituency of that kind they should loan the farmers a reasonable amount of money in order to meet their urgent needs and to enable them to carry on until their crops are harvested.

There is another matter of tremendous importance to the agriculturists of the west; that is the cost of farm implements and machinery. Almost every member representing a rural constituency in the west will agree, I am sure, that the old binders, plows, waggons, mowers, and so on are on their last legs, because money has not been available for the purchase of new machinery, and even if it has been available the prices have been so high that it has been practically impossible for the farmer to accumulate enough money to buy the machinery he needs. I can well remember following a binder in my youth—and I could follow one then—when that machine sold for about $125. Then the price went up

to $135, and I remember that when it reached $150 to $175 the farmers thought they were paying a terrible price,—to-day, they pay about $275.

Some hon. MEMBERS: That is the tariff.

Mr. BOWMAN: The tariff has absolutely nothing to do with it. In the United States you will find that farm implements and machinery are at practically the same level, and I would remind those who just interrupted that under the previous administration the prices of farm implements and machinery were from fifteen to twenty per cent higher than they are at the present time. I submit that the manufacturer of farm implements and machinery in this country should be told that if he cannot sell machinery at lower prices we will have another price spreads inquiry and find out why he cannot do so.

Mr. MACKENZIE (Vancouver): Come over here.

Mr. BOWMAN: There is no need to go over there; I have noticed that all the inquiries that have been held have been started by this government.

The next question which I should like to discuss for a moment is the question of prices. In practically every rural community there is the idea that the prices the agriculturist has to pay are out of all reason when compared with the prices which he receives for his products, and when we consider what has taken place in the Stevens committee in the last few days it would seem that the primary producer is pretty well justified for some of the views he has held. May I once more refer to the presentation, bearing on the question of prices, made by the Prime Minister of Canada at the Ottawa conference of 1932:

> Prices of raw materials here as elsewhere, have fallen much more rapidly than wholesale prices generally. Thus, prices of raw and partly manufactured materials have fallen 47·3 per cent since August 1929, whereas prices of fully and chiefly manufactured articles have declined only 26·0 per cent. Farm products have been particularly hard hit, the decline averaging 56·4 per cent. Wheat, the staple of the western farmer, has fallen from an average price of $1.50 per bushel in 1926 to 55 cents in June, 1932, a drop of 63·3 per cent, giving an index of 36·7 as compared with one of 70 for manufactured goods at wholesale.

Then, farther on the Prime Minister said:

> I have said enough to indicate the importance which Canada is bound to place upon the solution of the problems of price instability and of unstable exchanges. In particular we believe that it is imperatively necessary to put a stop to the persistent decline in commodity prices which is paralyzing private enterprise, choking off international trade, multiplying unemployment and social distress, and menacing the stability of our present social and economic order. We also believe it urgently desirable to encourage in every way that can be accepted as sound and practicable, a rise in prices to a height more in keeping with the fixed or highly rigid cost elements in the existing economic structures of most countries.

I say that this government has done something in the matter of price spreads and the increase of prices of primary products. Of course, the basis for the increase during the past two years in the prices of many raw products in Canada is the Ottawa agreements. I sometimes wonder where Canada would be to-day if the Ottawa agreements had not been entered into.

Perhaps it might not be amiss if we were to review one or two of the provisions in these agreements relating to hogs, cattle, lumber, copper and so on. In preparing these remarks I was interested in some statements made by the leader of the opposition (Mr. Mackenzie King) at the time the agreements were under discussion, and to compare what he then stated with what has since happened. First of all I should like to refer to hogs and hog products. At page 276 of Hansard for the year 1932-33 the leader of the opposition is reported as follows:

> I come now to article 6, and I ask hon. members to see what they can make out of it in the way of definiteness. One of the faults of this whole agreement is the obscurity of the language in which it is couched, the uncertainty as to the meaning of the words and as to what their interpretation and application will be.

We find the words "obscurity" "uncertainty" and "application." Well, there is certainly no uncertainty about the agreements now. We know what the application has since been. We were told about that in the Stevens committee. Mr. McLean of the Canada Packers Limited, giving evidence before that committee stated that the increase in the price of hogs, which he attributed wholly to the Ottawa agreements, meant during the past year an additional $36,000,000 in the pockets of the farmers of Canada. Is there any obscurity or uncertainty about that? While we in Canada were receiving in the neighbourhood of eight, nine or ten cents for our hogs they were selling on the Chicago market, the place where we used to sell before the right hon. gentleman opposite was in power, for from four cents to four and a half cents per pound.

Mr. VALLANCE: What did they sell at last December?

Mr. BOWMAN: Yes, what was the price last December?—but the situation has improved substantially since then, and so long as the agreements remain in force it will continue to improve. If these agreements are cancelled, as the right hon. leader of the opposition has promised should he attain office, we will see what will happen. I venture to say that the leader of the opposition will not go to the west and state that if he and his party are returned to power they will cancel the agreements made in 1932. I challenge him or any western member to do so.

Mr. VALLANCE: Bring on the election.

Mr. BOWMAN: The election may come on plenty soon enough for the hon. member who has just spoken. I notice that the hon. member for Vancouver Centre (Mr. Mackenzie) has been laughing at my remarks about the agreements. Does he remember how hon. members from British Columbia stood in this house and said that the ten per cent preference on lumber would not help the lumber men of that province? Will they go back to their constituencies to-morrow and make the same statement? I challenge them to do so.

Mr. MAXIME RAYMOND (Beauharnois) (Translation): Mr. Speaker, I cannot find a more appropriate expression to describe the four last years of this government's administration than that used by the hon. Minister of Finance (Mr. Rhodes), in the course of his budget statement. After a review of the present situation, and seeking encouragement in statistics—which a great British statesman, Disraeli, looked upon as one of the three gradations of lying—the minister praised the fortitude which the Canadian people had displayed "throughout their vicissitudes and sacrifices of these last years."

Years of sacrifices! Is truly what describes our existence under the present regime. Yet, the right hon. Prime Minister (Mr. Bennett) had promised happiness to all, in 1930.

If we had only to deal with these inconsiderate pledges, but, since then, how many optimistic statements have been made in parliament and elsewhere? Each year the speech from the throne informed us that business was improving and prosperity was around the corner and, each year, the budget statement revealed a fearful increase in our national debt, a deficit which has become chronic in our current transactions, new liabilities incurred and additional charges; in brief, a bankrupt balance sheet.

At a period, sir, when the people have more need to repose confidence in their administrators, they require more than broken promises or words of hope without any foundation. They require acts to restore public confidence and safety, and this government has proved incapable of accomplishing them.

The hon. member for Shelburne-Yarmouth (Mr. Ralston) and others who followed him in this debate, have made an analysis and detailed criticism of the budget. I simply wish to make a few observations and point out to the house the danger and disastrous results of the policy inaugurated and followed for the last four years, which consists in spending, and pledging Canada's credit, disproportionately to her means, without first obtaining the sanction of parliament, but simply through orders in council and, at times, under the sole signature of the Prime Minister; moreover, the danger and the consequences of a policy which favours large financial interests both local and foreign, neglects or refuses to protect the working class against every kind of exploitation, or to help the farmers and which, after, unjustly throws the burden of taxes of a ruinous administration on those who are least capable of supporting them. I intend to submit a few facts and draw from them certain conclusions which I deem of general interest.

From the very outset of his administration, the Prime Minister showed special solicitude for an old friend of his, the Canadian Pacific Railway, a solicitude which manifested itself in gifts, loans without interest and finally a guarantee on a $60,000,000 loan.

In October, 1930, shortly after the election —it was perhaps the right time to show gratitude—the government, on the authority of the Relief Act, made a present to the Canadian Pacific Railway of $863,550 and, the following year, of an additional sum of $209,196, making a total of $1,072,746, as recorded in the statement furnished by the hon. Minister of Labour, dated March 22, 1934. Yet this company was neither in difficulties or hard pressed, since in 1930, according to its balance sheet, it realized, all current and fixed charges paid, a net profit of $38,381,000, and distributed among its stockholders dividends amounting to about $38,000,000, of which $32,000,000 went to foreign holders, the preference stock being held in a proportion of about 86 per cent by foreigners.

We had no funds to carry out urgent public works, as for instance, repairs to wharves, or to continue the work begun on the Canadian National, in Montreal, which would have afforded jobs to thousands of workmen and

created a national wealth, but we had funds to make gifts to a friend, the Canadian Pacific Railway, and thus increase its wealth.

Yet the dividends distributed abroad by this company did not increase by one cent the purchasing power in Canada. So much for gifts.

Let us examine loans without interest. In 1932 and 1933, the government, always under the authority of the Relief Act, the blank cheque, and acting by simple order in council, loaned to the poor friend, the Canadian Pacific Railway—the distributor of magnificent dividends to foreign holders—a total amount of $2,447,222, without interest, and for an almost indefinite period. All this time, the poor Canadian Pacific Railway was accumulating, as an investment, shares of the Consolidated Mining and Smelting Company, an enterprise foreign to all public services.

How many industries, more humble it is true, which had never paid out large dividends, but which contributed to the livelihood of the entire population of a district where their factories were located, had to close their doors, at that time, with the results which are known. A small loan without interest, reimbursable almost at will, would have steadied and permitted them to carry on their beneficial work. How many farmers would have been saved from ruin with a similar loan. These small industries, these farmers set again on their legs would have proved a purchasing power, kept up our commerce and maintained the operations of our railways, without any other assistance. Why have railways and subsidize them if we have no freight to carry?

Let us now examine the magnificent gift of $60,000,000 made, in 1933, to this same friend, the Canadian Pacific Railway under the form of a guarantee. The Canadian Pacific Railway had borrowed $20,000,000 from the Bank of Montreal, in 1931, and $10,000,000 from the Chase National Bank Loan, in 1932, making a total of $30,000,000, maturing in 1933. Moreover, the company had notes falling due in April, May, June and November, 1934, for a total amount of $17,519,000. It was to reimburse, among others, these amounts that the government guaranteed a loan of $60,000,000 made by the banks to the Canadian Pacific Railway.

Let us investigate to what purpose served these loans, since the Prime Minister thought it too delicate a matter to inquire.

In 1931, the company borrowed $20,000,000 from the Bank of Montreal. According to its financial statement for the same year, this company paid in dividends, on both preferred and common stocks, held, in a ratio of 85.64 per cent by foreigners, $26,190,030, while its net available returns for dividends were but $13,834,471; namely: the company was short about $13,000,000 to cover the dividend paid. Moreover, it acquired 15,858 new shares of the Consolidated Mining and Smelting Company. Note to what purpose had served the $20,000,000 borrowed in 1931 and reimbursed to the Bank of Montreal in 1933, thanks to the government guarantee.

The loan of $10,000,000 from the Chase National Bank Loan, in 1932, served the same purpose. During 1932, although its net returns applicable to dividends amounted to only $257,880, the company paid on its stock held by foreigners in a ratio of about 86 per cent, dividends amounting to $9,677,776, and it again acquired 14,553 new shares of Consolidated Mining and Smelting Company of a market value of about $1,500,000. Thus the $10,000,000 borrowed in 1932 and reimbursed in 1933 to the Chase National Bank Loan, thanks to the government's guarantee, had again served the same purpose, namely: to pay dividends to foreigners and facilitate the acquiring of stock in the Consolidated Mining and Smelting Company.

We now come to May 30, 1933, three days after the prorogation of parliament, when following a short interview between Mr. Beatty, Sir Charles Gordon and the Prime Minister, the latter, a few hours later, under his sole signature, pledged the country's credit to the extent of $60,000,000, so as to reimburse these two loans amounting to $30,000,000, of which the bank was not then requesting payment—note well—as well as another amount of $17,519,000 maturing only in one year—again note—and this, under the plea of urgency and by virtue of "the Peace, Order and Good Government Act."

Some hon. MEMBERS: Hear, hear!

An hon. MEMBER (Translation): Shame!

Mr. RAYMOND (Translation): Note that during all that time the company was accumulating stock of the Consolidated Mining and Smelting Company—30,913 shares, in 1933—bringing its investment from 305,587 to 336,500 shares representing at the market price, in May, 1933, an amount of about $40,000,000.

To summarize, the loan of $60,000,000 to the Canadian Pacific Railway, of which the guarantee by the government was neither urgent nor necessary, has served to reimburse a total amount of $30,000,000 which had been

used to pay dividends to foreign shareholders and speculate with the stock of the Consolidated Mining and Smelting Company.

These favours to a private company constitutes one of the most shocking abuses of the arbitrary and discretionary power which the government had parliament grant to it. This is the kind of abuse of power which tends to rouse the people who toil and patiently bear up with the sacrifices imposed on them for the last four years, and which have the effect of discouraging and engendering distrust.

Think of the farmer's plight who, during that time, not being able to meet his liabilities, was forced to abandon his land, which he had always farmed and which afforded a livelihood to his family. There are thousands of such persons who might have been rescued from ruin, if the government had simply pledged the credit of Canada for an even less amount than $60,000,000.

An hon. MEMBER (Translation): Hear, hear!

Mr. RAYMOND (Translation): The government boasts of borrowing at a reduced rate of interest. Why does it not reduce the rate of interest and improve the conditions of loans to farmers by virtue of the Canadian Farm Loan Act? Millions of dollars are expended to provide for those who have deserted the land, thus increasing the number of unemployed in large cities and becoming a heavy drag on the financial resources of municipalities, dominion and provincial governments. It is high time to think of applying some funds to retain on the farms those who are still there, and who instead of being a passive asset would continue to be an active one for the state. Agriculture supplies 75 per cent of our requirements. The countryside supplies water free, a home, wood as a fuel, food and even some of the clothes which are derived from the transformed agricultural products. Those are the main necessaries in life. It also contributes to increase the purchasing power and helps all the branches of economic activities which owe to agriculture the reason itself of their existence.

All agree that what is lacking to activate business is the purchasing power and that it must first come from the farming class. The farmer creates the demand. The farmer does not depend on the merchant for a livelihood but it is the latter who depends on the farmer. Cultivate the soil and factories will open their doors, workmen will find work and railways will be kept busy. Even if railways build new lines or cars, they will serve no purpose, as long as traffic is lacking. Although agriculture should receive our first consideration, it is the most neglected of occupations.

Money or credit seems scarce to help our own people, but the government finds some for foreign shareholders of the Canadian Pacific railway or for the government of Newfoundland.

Again this guarantee of $625,000 in favour of a foreign government is an abuse of power. We thus decrease, for the benefit of others, our borrowing power which is not unlimited, and the day will come when our borrowing power will become restricted and less advantageous.

I wish to point out another example of abuse of power which will react considerably on the farming class. It is the tax exemption enjoyed by the Beauharnois Light, Heat and Power, ever since it has been under the control of the Montreal Light, Heat and Power. The Beauharnois canal was, up to September 1932, the property of the company which had built it, and it was utilized to develop electric power. The government, on the other hand, had the right to use it for navigation purposes. As proprietor, the Beauharnois Light, Heat and Power had to pay the various municipalities its quota of taxes, because of the lands which it had purchased and other properties it owned. Since the control has passed into the hands of the Montreal Light, Heat and Power, the government has become very obliging. It had the property of the canal transferred to it gratuitously, including bridges and certain adjacent lands, the company having the same rights to utilize them in the operation of its water power plant, exactly as before—that is all it requires. The difference, however, is that government properties being exempt of taxes by virtue of the Municipalities Act, the company, while having practically the same rights, is now dispensed from paying taxes to the various municipalities.

The bridges are valued at more than $5,000,000, and there are about 10,000 acres which have become exempt of taxes, and the local farmers will have to portion out among themselves the taxes which the company should have paid. In one parish alone, St. Cecile, taking into account the valuation of one bridge, the five-sixths of the municipality valuation is thus exempt of taxes, so that the burden of all charges and liabilities will fall on the other one-sixth. This is another instance of the solicitude of the government for the large corporations to the detriment of the rural class.

Favoritism does not stop there but goes so far as to allow the workman to be fleeced. Is there a more odious exploitation that the one by which the worker becomes the victim of coal importers? The government has prohibited Russian coal imports and it levies a duty on American coal. Thanks to such measures, the importers of English coal have formed a monopoly which affords them the opportunity of selling this article of necessity at an excessive price and thus make exorbitant profits. It was admitted that the profits in one year were about $400,000! Think of the profits for 1934, owing to the excessive cold we experienced; there was 25 per cent more coal consumed and prices were raised in February and again a few days ago. If there is a dealer, sir, who, because of the nature of the product he sells, should be restricted to a minimum profit for the welfare of the majority, it is certainly the importer of coal, owing to our rigorous climate which makes it an article of prime necessity. A profit of $400,000 did not seem large enough to these importers, and prices were raised this year; there was one among them who had the impudence of posing as a philantropist! Since when does Mr. Webster sell his coal simply to keep his fellow-citizens warm and prevent them from freezing to death? When shall he cease to speculate on human misery? In January and February last, there were on an average 1,275,000 people receiving the dole, so as to keep them from starvation and freezing to death; what amount did the government contribute to purchase coal for these people and thus increase the profits of the importers? How long will the government tolerate such a flagrant abuse?

The hon. Minister of Labour (Mr. Gordon) ordered an investigation, by virtue of the Combines Act, which cost the country $40,451. It was held behind closed doors and the minister refused to divulge the contents of the report under the plea that it was detrimental to public interest. One helps a friend. Yet, another investigation was held in connection with the tobacco industry. The same plea was at first invoked. Finally, thanks to a by-election in South Oxford, the plea of public interest was discarded and the report was tabled in the house. However, in the case of coal, public interests seem to depend on Mr. Webster.

Surely it is not with expensive investigations, held behind closed doors, and a refusal to publish the findings, that the government will appease the public which knows that it is being fleeced. Efficient measures must be taken. If the existing laws do not contain any appropriate remedy, let new ones be enacted. Our statutes embody very severe laws against slight offences. Thus, according to the excise act, a person found in possession of the least quantity of alcohol, on which an excise tax has not been paid—what a crime!—is guilty of an offence punishable by a fine and imprisonment, with or without hard labour for a period of one to twelve months and the government never fails to see that it is enforced. I once knew a good citizen who, during Yuletide, had purchased a quart of whisky, on which no duty had been paid. He was thrown in gaol; such cases were not left to the discretion of the magistrate.

Mr. LAFLECHE (Translation): He is not the only one.

Mr. RAYMOND (Translation): The government provides imprisonment so as to protect the treasury, but when it is a question of protecting human life—because one dies of cold—it becomes unconcerned, in spite of the most arbitrary and extraordinary powers it possesses.

Workers are no better protected against manufacturers who on the one hand take advantage of tariff increases, enacted by the government, to maintain high prices and thus permit large dividends to be paid, while on the other hand they take advantage of unemployment to further fleece the workers by not paying them sufficient wages to provide a livelihood.

I already have had occasion to point out specific facts to the house; I shall quote others in support of them. In Valleyfield, at the Montreal Cotton Mills, a company which still pays a 7 per cent dividend to its stockholders, there are heads of families who work from six o'clock in the evening to seven o'clock in the morning, at a rate of 9 cents per hour. Twelve hours of night work, to earn $1.08. Among them, I know of one who has no choice in the matter and must provide for his wife and four children on such wages.

The government is very willing to protect manufactured goods, but it refuses to protect labour. Why did it not stipulate, when providing for tariff increases on manufactured products, that manufacturers would have to pay rational wages to the workers? The latter are entitled to wages which will provide them with a livelihood and not let them starve. It is not with such petty wages that a man can feed and clothe his family and, when winter comes, pay to Mr. Webster's company, thanks to the government's protection, an excessive price for his coal.

There is a provincial statute which fixes the minimum wages for women. What happens? The Montreal Cotton Co. obliges young girls to sign a petition addressed to the minimum salary commission requesting that the company be exempted from such provision of the act, and those who refuse to sign are dismissed.

The workman is no better dealt with in the distribution of taxes and his situation is becoming worse. Certainly, taxes are needed to fill the treasury, but the least burdensome way from an economic and social angle, must be sought, and they must serve a truly useful purpose. Whence comes the greatest revenue? A perusal of the returns from taxes shows that during the fiscal year 1933-34, all taxes amounted to $271,000,000. From this amount, $61,000,000 was levied on the income tax; the balance for the most part, came from customs duties, excise taxes and that on consumption—the latter alone amounts to $63,000,000. Of all these imposts, the largest, the most burdensome and unjust is the tax on consumption because it reaches everybody equally, without taking into account one's capacity of paying and one's circumstance. One who is in utter want is placed on the same footing as the millionaire. One who is at the head of a large family is placed on the same footing as the bachelor. It is absolutely unjust! The most equitable taxation is the one which is portioned out according to the capacity of paying. However, the latter depends on the income of the one who pays and his circumstances. The head of a family, the only bread-winner, who must provide for the livelihood of his wife and four children and who is paid by the Montreal Cotton Mills wages at the rate of $1.08 for twelve hours' night work, has certainly not the means to pay a consumption tax on articles of prime necessity.

Mr. LAFLECHE (Translation): It is a provincial question.

Mr. RAYMOND (Translation): It becomes an impost on distress. In some cases, such as sugar, there is even an additional charge, which brought in about $10,000,000 in less than a year, it was levied mostly on the poor people. Let the articles of luxury be taxed but not necessities of life.

And what purpose do these revenues levied partly on the distress of workers serve? One million dollars is expended on radio—that does not feed a person—it also serves to pay the travelling expenses of ministers who, meanwhile, neither pay the consumer's tax nor a tribute to Mr. Webster.

[Mr Raymond.]

Most of the taxes are at present, borne by the working classes and this is a flagrant injustice.

Mr. LAFLECHE (Translation): Did you make these remonstrances to the provincial government?

Mr. RAYMOND (Translation): I regret that I cannot reply to your question as I have but forty minutes at my disposal.

Mr. GOBEIL (Translation): Are wages fixed by Quebec or Ottawa?

Mr. CARDIN (Translation): Ottawa fixes the tariff from which are derived the profits.

Mr. RAYMOND (Translation): I shall have later on an opportunity of discussing this subject, if my hon. friend will permit me to continue.

I have set forth, sir, a few phases of the present administration's policy. Let us draw the conclusions. The people are tired—

Mr. GOBEIL (Translation): They are tired of Taschereau.

Mr. RAYMOND (Translation): —of this dictatorship exercised with arrogance, favoritism, and in an abusive way for the benefit of large corporations; it can only give rise to a feeling of distrust among the working classes. Confidence is something which is not enforced on the public through decrees, it must be won by meritorious deeds.

Mr. GOBEIL (Translation): That was evident in Montreal.

Mr. FAFARD (Translation): It is the university man who speaks!

Mr. RAYMOND (Translation): Will the hon. member for Compton (Mr. Gobeil) allow me to follow up my arguments? I am not in the habit of interrupting him and I would ask him to do likewise.

When we examine what the government has done since 1930, we soon realize that no relief has been applied to the difficulties in which the country is struggling.

What have become of our resources—referred to by the Prime Minister—capable of creating work and prosperity for all? They have not melted away! Instead of work, he substituted official unemployment with all its consequences and excesses.

He spoke of the respect due to parliamentary rules, no one more than him despises them. In times of crisis, one must not close his eyes or stuff his ears, but it is befitting that measures taken or enacted be in accord with public feeling and the way to make sure of it, is to

keep in touch with it through the representatives of the people. Here, it is all jostling, one must vote on the run his measures which have hardly been introduced, otherwise it is looked upon as obstruction; parliament embarrasses him. Yet, the control exercised by parliament is the only guarantee against arbitrary rule.

There exists an atmosphere of unrest, discontent and anxiety which reaches all classes of society.

The anxiety of the farmer who depends largely on his land for livelihood since it produces most of the necessary food products, but who nevertheless feels himself crushed by various taxes, such as customs, excise, municipal imposts and other charges, when it is not the expropriation through the sheriff's sale which awaits him.

Anxiety of the workman owing to the distress which prevails and awaits him if it has not already done so. Think of the unfortunate situation of the large number of people who would like to be producers, but who are condemned to involuntary or compulsory idleness, often victims of technical progress. Where production increases, more unemployment prevails. In the United States from 1919 to 1929, production increased 32 per cent while the number of workers decreased 13 per cent. At present, there are thousands who are utterly in want, with no prospect of finding work in the future; they pitifully wander through life depending entirely on public or private charity. For them, the foremost question is that of the right to work and live. Think of the situation of workmen whose only wealth are their hands and, who, victims of over ambitious manufacturers, receive insufficient or petty wages. Their home is the house of need. They are looked upon as part of a machine which serves to enrich the manufacturer.

Anxiety of the consumer with a salary hardly sufficient to live upon. Conditions of life were already hard, but they are made worse by taxing articles of prime necessity. The victims are the large families of workers who receive petty and insufficient wages. There is, at present, among the working classes, a serious unrest caused by unfair taxation. The anxiety increases at the approach of winter, when a tribute must be paid to the magnate of coal which our laws do not reach.

Among all the anxieties prevailing, there is one which should draw particularly our attention, it is the anxiety of youth, whose future, according to the expression used by His Eminence Cardinal Villeneuve, constitutes a national problem. There are, at present, in Canada 942,000 young men between the ages of 15 and 24 in a ratio of 54 per cent in cities and 46 per cent in the countryside. What will become of them? Idleness can only have a bad effect on them. It is, however, the lot which has been assigned to most of them for the last four years. They have before their eyes thousands of unemployed and naturally wonder with uneasiness whether they will ever earn a livelihood. They need to be reassured. Does the government realize this fact? What paradox presents itself to their mind? Famine and distress side by side with abundance. If they go to the mills to obtain employment, they are told that there is no work, or that machines are doing the work, or that all places are filled. If they graduate from school, loaded with degrees and great knowledge on various subjects, whatever way they turn, the avenues are closed, all careers are filled. Yet, one must live. That is one of the sad aspects of the social problem of to-day; youth finds no employment.

Faced with all these anxieties, sir, I take the liberty to tell the government: Enough favours to friends, large corporations and foreigners; give some consideration to the farmer, worker, consumer and youth. It is not in the relief of unemployment or in the too burdensome imposts that are to be found the proper remedy to calm the anxiety of the various classes of society and inspire hope to our discouraged people.

Mr. ANGUS MacINNIS (Vancouver South): I doubt whether there was ever a time in Canada when Canadians took so much interest in economic and political problems as they do at the present time. Perhaps there has never been a time in the history of Canada when it was so necessary that they should do so. I know that in my own province, in every little community, in every city and town there are numbers of student economic classes held almost every day in the week.

It is my intention before I sit down to touch on what I believe to be the fundamental basis of a great part of our difficulties if not of all. However, before I come to that I wish to discuss a few other matters that are relevant to the budget.

There is nothing much in the budget this year which one need get excited about. There is nothing in it that one need strenuously oppose, and there is certainly nothing in it that can give the slightest hope to thousands of our people who have been living in misery during the last four or five years. It is a

budget which is intended to maintain the status quo. No attempt is made through it to equalize the distribution of the wealth of this country, although that is a step which in my opinion is most urgently needed at the moment.

Perhaps no other world statesman has been so much in the public eye during the last year as the President of the United States. Certainly no other government has been so energetic in its efforts to increase the purchasing power of the masses as has the government of the United States. I am not concerned now as to whether or not the steps they have taken will ultimately meet the desired end, but they surely indicate that President Roosevelt realizes the importance of a better distribution of wealth. Speaking on March 5, 1934, the first anniversary of his coming into office, he said:

> Every examination I make and all the information I receive lead me to the inescapable conclusion that we must now consider immediate cooperation to secure increases of wages and shortening of hours.

That is a very different attitude from that taken by this government. No steps have been taken by this government towards that end, that is, towards the shortening of hours and the increasing of wages. It may be brought forward as an excuse that wages and hours of work come under the jurisdiction of the provincial governments, which is quite true. But it does not follow that there is nothing that this government could do if it wished. But does it wish, or does it realize the importance of increasing purchasing power? It would seem to me it does not.

When the Prime Minister spoke at Montreal after his return from the world economic conference he said that it was not the intention of the government to follow the lead of the United States in shortening hours and increasing wages because Canada, an exporting country, could not afford to do so. I notice that just about that time the Minister of Trade and Commerce said that before President Roosevelt introduced the N.R.A. Canada had been doing the same thing for three years. I observe, however, that the minister a few days ago in Montreal made the statement that unless the manufacturers and owners of industry in this country took steps for a better distribution of wealth an N.R.A. would have to be put into effect in Canada.

In 1930 the Prime Minister was going to bring prosperity to this country by preserving the Canadian market for Canadian manufacturers. It now transpires, from the statement he made in Montreal, to which I have referred, that the Canadian manufacturer is not satisfied with the Canadian market. He must have a share in the foreign market as well and Canadian workers must toil and sweat in Canadian factories for long hours at miserable wages in order that he may get that share.

I have stated in the house on a number of occasions that the home market is not sufficient for the disposal of capitalistic production; that a foreign market is also necessary. The position which the Prime Minister now takes goes some distance toward proving my contention. I maintain that the government could use the taxing power which it has to equalize the distribution of wealth in this country; it has not made full use of its power to that end. Anyone who has followed the evidence adduced before the price spreads and mass buying committee during the last few days will realize that a few Canadians are receiving out of the wealth of the country a far greater share than that to which they are entitled, and that some means should be taken to ensure that that wealth is better distributed. The dominion government has the power through taxation to distribute that wealth but the government seems to be quite satisfied if it is able to meet the principal and interest on the financial obligations of the dominion. That is not what it was elected to do. The previous government was doing that well enough. The Prime Minister speaking for the Conservative party during the election campaign of 1930 made certain promises to the Canadian people. As those promises have been quoted in the house on numerous occasions I am not going to repeat them now but it must be kept before the people that those promises have not been fulfilled and we are not going to allow them to be forgotten by government speakers drawing attention to other things that have been done.

The Prime Minister, speaking in Ottawa as reported in the press of November 9, 1933, said:

> It must be a source of great pride to every Canadian that this young country has met every obligation in the terms of the contract, at home and abroad.

During the last four years I have met a large number of Canadians and I cannot recall any whose chests swelled with pride because the government has met its financial obligations but I have met many who have bowed their heads in shame that the government has done nothing to ease the misery and want in a country so richly endowed with

the good things of life as is this one. I maintain further that the government did not meet every obligation in the terms of the contract. The contract made with the people of Canada by this government in 1930 was that it would put an end to unemployment. That contract has not been fulfilled. As I said before, the government was not elected to pay the interest on the national debt. The former Liberal government was doing that to the satisfaction of the creditors and also of the people of Canada, but it was not meeting the unemployment situation to the satisfaction of the Canadian people and that is why the present government is in office to-day. Before the election of 1930 and for a short time thereafter, the government had two remedies for dealing with the economic crisis facing the dominion, first, national expenditure on public works of various kinds in collaboration with the provinces and municipalities. This remedy of course was considered as being a palliative and it was soon discarded as it was found that like most palliative measures it did not palliate; that the improvement of the moment was followed by an unfavourable reaction. The real cure that the government had for the depression was increasing the tariff; tariff increases were the magic which was to drive out the demon of depression. It has always been a mystery to me why a person with the intelligence of the Prime Minister could not see the fallacy of the high tariff remedy. All that was necessary to do to realize its uselessness was to look to the great country to the south of us, a high tariff country, one with possibly the highest tariff of any in the world, where even in 1930 its relative unemployment problem was worse than ours in Canada. There were plenty of other examples besides that of the United States.

It is quite true that the United States prospered under a high tariff policy; she did up to a certain point. It is equally true that Great Britain prospered under a free trade policy, again up to a certain point. They prospered under policies which were diametrically opposed, because the conditions of the two countries were different. Great Britain prospered under free trade because she was the first in the field as a manufacturing country; she had the important essentials of a trading nation: a highly skilled working class, the most highly developed machinery of the time and plenty of coal for motive power and iron for steel and machinery. Last, but not least, as I said, before, she had an advantage over other countries by being the first in the field. The United States prospered for very different reasons; she prospered under a high tariff because she had a large undeveloped territory, diversified natural resources and the development of the country absorbed all but a small fraction of her production until the end of the war when the country was not only developed but over-developed from a production point of view. But be it noted that neither free trade nor protection will bring back prosperity to either of those countries to-day.

In the budget there are indications, faint ones of course, that the government is losing faith in the tariff as a means of bringing back prosperity. No doubt we should be thankful for small mercies and should welcome the reductions in the tariff which are announced in the budget. The Canadian people will no doubt be grateful to the government for the reduction in the excise taxes on champagne and sparkling wines. The Minister of Finance did not tell the house whether champagne and sparkling wines would now be on the menu in the unemployment camps and included in the budgets of families on relief. Of course it may make their lot much easier to know that some people in Canada can afford to drink champagne and sparkling wines even if they themselves cannot. I noticed in speaking throughout the country that many people are worried as to who will drink the champagne and smoke the expensive cigars under socialism. I have never been able to tell them that, but I can tell them who are doing it now.

As usual in the minister's budget speeches, he ended on a hopeful note; in his position that is no doubt an appropriate thing to do, but as intelligent people we should demand some foundation for that hope. I would like to know from the minister or the government what is the cause of the depression. It is not enough to say that it is worldwide; we know that. We also know that what little improvement has taken place is also worldwide and consequently the government cannot take any credit for that. We would like to know what is responsible for the improvement, how long we may expect it to continue, what are the probabilities of the upturn in business being followed by another depression, and, more important than all, what steps the government is taking to prevent another economic collapse. Or does the government believe with the Prime Minister that we are in the grasp of a fate over which we have no control? The hope for better things is very good as far as it goes, but after all it is only a pious wish.

I maintain that before there is any permanent improvement there must be some understanding of the factors which are essential to the functioning of the system under which we live. I maintain that we shall have to acquire an understanding of how and why our economic system functions or fails to function, and that we shall have to assume control over it; that we cannot, as we are doing to-day, leave the ordering of our economic and social life to the whims of individual interest, that if we do there will be ups and downs in our economic activities, with the consequent unnecessary suffering, as sure as day follows night.

Undoubtedly there is some reason for the slight improvement that has taken place in the economic life of the world during the last year. The present slight improvement in my opinion is due to three factors: (1) the increase in armaments and the universal preparation for war; (2) the depletion of supplies in hand of consumers' goods and the need for replacements in producers' goods, that is, new capital; and, (3) the policies of the Roosevelt administration in the United States. It will be remembered that when President Roosevelt came into office in March, 1933, the whole economic life of that country was almost paralyzed. By April there was a perceptible if small improvement, and that improvement has continued since but shows some indications now of slowing down. Certainly there is nothing fundamental on which we can base any measure of hope for permanent improvement. I think it has begun to be realized by many people to-day that there are certain flaws in the capitalist system itself, certain inherent faults which make it impossible of stabilization, that there are certain reasons why it must either expand or contract. In my opinion there are quite obvious reasons why the era of expansion is over and the era of contraction is now with us. Consequently there will be no permanent improvement under the present system. It is not a question of the capacity of government or even of the good intentions of government; the question is, Can the system function under the changed circumstances which now confront us?

In every organism and machine there are vital parts or factors which are essential to the efficient functioning of that organism or machine. The same is true of a system of society. Our present system of society is breaking down because certain factors which were and are essential to its operation have become impaired. Now what are those factors? The first that I need mention is

[Mr. MacInnis.]

the foreign market, that is foreign trade. The subject of foreign trade and our foreign trade policy has been mentioned in this house on a number of occasions during the last four years. In fact a certain section of the house believes that all our difficulties are due to wrong trade policies. I do not hold to that. I believe, as I said before, that in the capitalist system itself can be found the defects which are responsible for the conditions which we find about us to-day.

I am going to try to explain this to the best of my ability from my point of view in the short time at my disposal. Capitalism is different from all other systems of production that we know anything about. It is concerned not with the production of use values but with the production of exchange values; in other words with producing goods to sell rather than to use. A country producing in this way must have a foreign market, because the producers of wealth never receive enough purchasing power in return for their labour to enable them to consume what they have produced. The owners of the means of production cannot consume the surplus because of its magnitude. It is therefore necessary in order to dispose of this surplus to find a foreign market outside of the country of production. If that were the position only as far as Canada is concerned there would be possibly no great difficulty, but every other country in the world finds itself in the same difficult position. They also have surpluses which their own people cannot consume because they have not adequate means to buy. If they cannot buy the goods produced in their own country they certainly cannot buy what we have to sell. Here we find one of the curious contradictions of capitalism, it has many but perhaps this is the outstanding one; that is that a foreign market is absolutely essential to its existence, but it no sooner finds that market than it proceeds to destroy it.

To illustrate my point I will take two industries established in Great Britain at the beginning of the industrial revolution, cotton-manufacturing and engineering or machine-manufacturing. Great Britain was the first country to manufacture cotton with power driven machinery, and consequently the first to manufacture cotton manufacturing machinery, engines and spinning and weaving machines. Soon after Britain began to manufacture cotton with power driven machinery she had to find a market outside her borders for a considerable portion of it, not because British consumers had all the cotton they could use, because millions of the population of Great Britain to this day have never had

all the cotton cloth they have needed. But they had all the cotton goods which their wages could buy. However, the world was then the market for the products of Great Britain's cotton factories and for the labour of British workmen, because Great Britain was the only country in the world at that time engaged in machine production. But unfortunately for the British cotton manufacturer, and perhaps even more so for the British cotton operator, the British manufacturer of looms and engines also had to find an outside market for his surplus commodities, that is the looms and engines that could not be absorbed in the British market. So engines and looms were sold to other nations, who thus were not only enabled to manufacture cotton for their own needs but began to compete with Great Britain for the world market. Let me give an illustration which appeared in the press quite recently. It is headed:

British Brains and Machinery for Chinese Factories

It relates that:

Messrs. Platt Brothers, Oldham, had received large orders for textile machinery for cotton mills to be erected in South China, and a Midland firm has got the order for the electrical equipment. Mr. Harold Briggs of Oldham has been appointed technical adviser by the Canton government, and sails for China this month. Mr. Briggs said the first mill was in course of erection and the machinery would be sent out early this year.

This export of cotton manufacturing machinery and of British capital for the development of the cotton industry in other countries has been going on for years. The result is that one-half or more of the cotton workers in Great Britain are and have been unemployed since 1920, and as far as their employment depends on the export of cotton goods they are doomed to unemployment for all time.

I was reading recently a book entitled Lancashire and the Far East. It is an history of the development of the cotton trade in India, China and Japan. It shows the effect of this development on the cotton market, over which Great Britain held a virtual monopoly for over one hundred years. I will give a few figures from this book, and I may say that all the statistics are verified as to their source. In 1913 the total export of cotton goods by Great Britain was 7,075,000,000 yards; in 1929, sixteen years later, this had shrunk to 3,765,000,000, a decrease of 47 per cent. Now let us see if we can find why this shrinkage came about. It is not necessary to tell this house that Japan is Britain's most dangerous competitor in cotton goods as well as in many other commodities. In 1913, of the total exports of cotton goods to China, according to quantity, Great Britain supplied 68 per cent and Japan 23 per cent, the remainder being supplied largely by Russia and the United States. By 1925 the position was reversed, Great Britain supplying only 26 per cent and Japan 74 per cent, with Russia and the United States out of the market altogether.

I think that is sufficient to show how Great Britain, through the investment of capital in these countries, has helped to destroy the market which she needs so badly. From 1913 to 1929 Japan imported 2,000,000 yens worth of spinning and weaving machinery from England and Germany, principally spinning machinery. From 1923 on Japan did not import any weaving machinery, since she was able to supply her own requirements, and in the near future, if it is not the case already, she will be able to supply her own spinning machinery as well. Then not only will the cotton market be gone; the market for cotton manufacturing machinery will be gone as well.

Now let us come closer home. Canada is also an exporting country and is vitally interested in finding a market for wheat and other agricultural products. But Canada is interested as well in finding a market for agricultural machinery. It is held by many of our people that upon our ability to find a market for our agricultural products depends the prosperity of this country. Yet we supply the countries which we have considered as markets for our agricultural products with the machinery that will enable them to become self sufficient in regard to agriculture. Thus we destroy the markets we require so urgently. I should like to give a few figures as to our exports of agricultural machinery for 1930, which will illustrate the point I wish to make. These figures are from the Trade of Canada, 1933, issued by the Department of Trade and Commerce. During 1930 we sold harvesters or binders to thirty countries, some of whom, such as Russia, Argentine and Australia, were our competitors in the markets of the world. Others, such as France, Italy, Germany and the United Kingdom, constituted our markets for agricultural products. Here are the figures as to the sale of harvesters or binders in 1930:

France	2,045
Germany	2,535
Russia	2,838
United Kingdom	396
Italy	349
Australia	804
Argentine	50

In the same year we sold ploughs and parts to sixty-two countries, to the value of

$5,000,000. I think these figures are sufficient to show what is happening in every line of production. What has happened in regard to cotton has happened in regard to agriculture and almost every other industry. Is it any wonder that our exports of wheat and other agricultural products have declined? Our Liberal friends keep asserting that the only way to prosperity is through the resumption of world trade, and the other day I heard the Prime Minister make the same statement in the house. I wonder if they ever analyzed the circumstances necessary to trade or, what I would consider a better word, to exchange. The basic factor underlying exchange is the desire of one individual to get something he has not in exchange for something he has. We buy only those things we cannot produce for ourselves, or the machinery with which to produce such things. Let me illustrate this point by taking three individuals, one producing grain, the second producing fruit and the third producing dairy products. It is clear that each individual would be better off by exchanging some of the surplus of his product with each of the others for some of their surplus, but it must be obvious that if each individual, in addition to the commodity he produced at first, produced also the commodities which the others produce, there would be no incentive to and no possibility of exchange. Heretofore world trade has been largely the exchange of commodities such as I have indicated or the export and import of the machinery which would enable each country to produce a larger variety of commodities. What I have pointed out in regard to cotton and agricultural products has occurred in regard to a great many other commodities. The nations of the world are becoming more and more self-sustaining, because of the development of science and invention. In future trade will become more and more restricted to such commodities as, because of climatic conditions or the lack of natural resources, a country is unable to produce for itself.

I think the sooner we realize that fact the better it will be for us. We may rave as we please about economic nationalism, but it will not get us anywhere unless we try to understand the reasons underlying the condition we are pleased to call by that name. Capitalism expanded and became international in its outlook by reaching out and developing new countries and new areas. Now we have come to the point where there are no further new countries or new areas to be developed—or possibly exploited would be a better word—and the capitalists of the world are forced, as a matter of self preservation, to try and secure to themselves the home market. Right Hon. Walter E. Elliot, British Minister of Agriculture, put the case very neatly in a speech he made some little time ago, in which he referred to the three stages in our development during the last one hundred and fifty years or so. He said:

> But these factors, the power of science to make anything anywhere, the determination of men to try everything everywhere, and a growing doubt as to whether foreign loans in many parts of the world are not simply free gifts which we should do as well to keep for ourselves, have produced and are producing a change so fundamental in our outlook that it might almost be described as the third stage of the industrial revolution. The first stage was, so to speak, the drilling of a borehole and the tapping of a great subterranean source of power by the people who made this venture. The second, which we have just lived through, was the piping off of that power to undeveloped nations as capital development, financed by unrepaid loans.

That is, the sending of capital into new areas.

> The third stage is the check and flood-back as the boreholes in other countries strike oil in their turn, and the pipes begin to fill up from the far end also.

I think that is a very clear picture of what has happened in the world markets during the last few years. In my opinion there is no doubt that the foreign market is fast disappearing, never to return as we once knew it. As the British Minister of Agriculture points out, this is the inevitable effect of the development made possible by science and invention.

And that is not all. The capitalists, in their endeavour to hold the dwindling foreign market, are destroying the home market as well. This is being done by reducing wages, increasing the hours of work, increasing the intensity of labour, and by the greater use of labour-displacing machinery. They call it reducing the cost of production, and it is done to increase profits, of course. But it is also done in order to enable them to compete for a share in the fast dwindling world market. Let us see how it works. If the manufacturer of cotton goods reduces his production costs in the way I have mentioned he may be enabled better to meet competition in the world market, but it further reduces the home market because the employees affected have lost buying power and consequently are less able to buy the other goods such as food, furniture and clothing which are produced at home.

It also reduces the world market, as Canada's home market is the foreign market, or at least part of the foreign market for all other countries. This is an inevitable and inescapable consequence of the system of production under which we operate.

The next factor necessary to the efficient working of a capitalistic system is the ever-extending field for development and the investment of new capital. I say "the ever extending field" because in the ordinary capitalistic state the capital investment increases yearly by the reinvestment of part of the profits of the preceding year. In fact, the purpose of capitalist production, as I have said before, is the production of new capital which is invested for the purpose of producing more capital values.

I have some figures before me taken from the Canada Year Book, concerning manufacturing in Canada, showing that invested capital increased from $78,000,000 in 1871 to $5,093,000,000 in 1929. If hon. members would compare the increase in wages with the increase in capital they would find that salaries and wages did not keep pace with capital invested. In the same period wages increased from $40,000,000 in 1871 to $813,000,000 in 1929. These figures are the total amounts paid in wages and salaries. Outside of the market for government bonds and debentures there is no great opening to-day for the investment of new capital. In 1930 corporation bonds to the value of $146,303,000 were sold in Canada.

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

Mr. MacINNIS: With your permission, Mr. Speaker, I shall finish with one other observation. In 1933 we find that these investments had shrunk to $4,200,000. I say that unless we consider this question from the standpoint of changed conditions and try to meet it by increasing the purchasing power of our people at home it is useless to talk about increasing the world market.

Mr CHARLES BELEC (Pontiac): Mr. Speaker, it is with great pleasure that I extend my congratulations to the Minister of Finance for the exceedingly able manner in which he presented the budget to the house. It is a matter of great satisfaction to learn that in the twelve months period ending March 31 last, exports of Canadian produce increased by $105,500,000, or 22 per cent over the same period last year. Imports, advancing less rapidly at first but showing greater gains in recent months, increased by $27,300,000 or 7 per cent. The improvement in the aggregate trade was $132,000,000 over the same period last year, or 15 per cent. The total trade exceeded one billion dollars.

The beneficial effects of the empire trade agreements are shown in the expansion of intra-empire trade. In the eleven months period ending February 28 of the present year exports from Canada to the United Kingdom, our largest market, increased by 20 per cent, accounting for more than half of the increase of sales abroad. Exports to Australia increased by 54 per cent, to British India by 45 per cent, to British South Africa by 72 per cent and to New Zealand by 6 per cent. Statistics of the United Kingdom show that whereas in 1931 imports from Canada represented 3·8 per cent of the total purchases from abroad, in 1933, Canadian products represented 6·9 per cent of the total. Prominent among the commodities showing increased exports to the United Kingdom were planks and boards, apples, meats, copper and other metals, and cattle.

It is a matter of pride to all Canadians to remember that Canada, with a population slightly over ten millions of people, is the fifth trading nation of the world. At this time, when world recovery is slow, our country has increased its exports and is slowly but surely emerging from depression to prosperity. I am sure that the next year will continue to show a marked improvement in conditions.

In the budget it will be noticed that the dominion treasury has stood the brunt of depressed conditions in all parts of the country, and especially in the western provinces. A total of $36,000,000 was expended in the last fiscal year for relief measures. The budget discloses that the expenditures made since 1930 by the dominion on unemployment relief have reached $115,500,000, to which may be added the cost of the wheat bonus in 1931, amounting to $12,700,000 and $2,400,000 advanced for employment in railway shops, a total of $136,600,000

It is these relief expenditures and public works expenditures that I want to discuss, especially in their relation to the county of Pontiac The Department of Labour has kindly sent me a statement showing dominion contributions to relief expenditures in Pontiac —in Temiskaming, Abitibi, and old Pontiac These were as follows:

	Dominion payments	
	Public works	Direct relief
1930 act	$ 89,207 29	$ 5,452 46
1931 act	143,614 05	29,281 49
1932 act	.....	27,426 24
1933 act	4,927 16	5,308 79
(Dominion commitments, $84,134.50).		
Total dominion payments under all acts	$237,748 50	$67,468 98

Thus it will be seen that since 1930 a total of $305,217.48 has been expended in Pontiac county for relief alone.

I regret, however, to point out that relief works expenditures were curtailed because I could not secure the cooperation of the Quebec government. Last year I advocated the construction of the Sheenboro highway and could have secured an appropriation from the dominion government, but the authorities at Quebec would not join with us in building the road which would be a new means of communication with the north country. Besides it would have provided much needed work. I should like to quote a statement made on March 22 by the Minister of Labour (Mr. Gordon) in reply to the hon. member for North Timiskaming (Mr. Bradette). This appears on page 1724 of Hansard and is as follows:

Might I interrupt a moment? As far as the trans-Canada highway is concerned I do not think the hon. member wants to be understood as saying that in his judgment the trans-Canada highway should go up to Senneterre and out to Manitoba in that direction. And I do not think he means that the road from Sheenboro to connect with Kipawa in Quebec is not being built because of any neglect on the part of the dominion government, because the fact is we have received no schedule and no request for any contribution to that road which would connect with the Ontario roads passing through Rouyn down to Ottawa and Montreal. The Sheenboro-Kipawa-Ville Marie road is the one break which has necessitated the people in the north end of Pontiac and the Rouyn mining country coming down to Montreal and Toronto by the Ferguson highway in Ontario. I do not think the hon. member wants to be understood as meaning that the province of Quebec has given the lead to Ontario as far as opening up that part of northern Quebec is concerned, as compared with the efforts of the provincial government of Ontario in opening up roads in Ontario, which has been going on steadily and to an increasing extent each year. The Ferguson highway has been the outlet to the front, both Toronto and Montreal, for all of that north part of Pontiac to the present time, and still is as far as vehicular and motor traffic is concerned.

I want to give the house some idea of the amount of work done in the county of Pontiac by the Department of Public Works. I should like to set out these facts in detail in order that the people of Pontiac will know once and for all that the Bennett government has been more generous with them in four years than was the late administration in eight years. What are the facts? Under the late administration the Department of Public Works expended in Pontiac county from 1922 to 1930 a total of $534,090.51. The present government in a little more than three years has expended a total of $632,771.95. In addition, the contribution to relief works and the cost of direct relief in the county has amounted to $305,217.48. The total expenditures in Pontiac county by the Bennett government since it came into office in July, 1930, are $937,989.43, while the Liberal administration spent only $534,090.51 in eight years. In order that I may be frank and honest I should like to put the facts on the record. According to the official figures of the Department of Public Works, the following amounts have been expended in Pontiac county by that department from July 28, 1930, to date:

Place—	Work—	Expenditure
Amos	Wharf	$ 2,755 78
Brown's island	Wharf	132 50
Bryson bridge	Bridge	534 66
Chaboiley	Unemployment relief	1,998 05
Chapeau bridge	Bridge	920 88
Des Joachim	Bridge	1,386 73
Desjardins	Wharf	44,496 12
Fort Coulonge	Wharf	2,995 30
Harricana river	Wharf and dredging	60,241 85
La Motte	Wharf	381 71
La Reine	Wharf	201 40
La Sarra	Wharf	450 84
Makamic	Wharf	1,528 18
North Timiskaming	Wharf	137 90
Norway Bay	Wharf	4,281 74
Palmaroll	Wharf	165 00

Place—	Work—	Expenditure
Portage du Fort	Bridges	1,098 19
River Kinogeris	Dredging	295 00
Senneterre	Wharf	3,327 28
Taschereau river	Unemployment relief	957 20
Kippewa	Telegraph lines	2,526 50
Ville Marie	Wharf	3,817 07
Timiskaming	Dam	465,000 00
Ville Marie	Public building	32,680 19
Shawville	Public building	461 88
	Total	$ 632,771 95

The details of the expenditures made under the late administration from 1922 to 1930 are as follows:

Place—	Work—	Expenditure
Amos	Wharf	$ 6,204 48
Angliers	Wharf	6,539 84
Brown's island	Wharf	3,297 04
Bryson bridge	Bridge	38,124 93
Chapeau bridge	Bridge	1,519 40
Des Joachim	Bridge	21,638 00
Fabre	Wharf	19,375 91
Fort Coulonge	Wharf	3,014 18
Harricana river	Wharf and dredging	142,806 40
La Motte	Wharf	3,586 00
La Reine	Wharf	3,856 32
La Sarre	Wharf	2,296 29
Makamic	Wharf	4,001 13
North Timiskaming	Wharf	21,192 35
North Timiskaming	Bridge over Quinze river	87,780 71
Norway Bay	Wharf	35,444 77
Notre Dame des Quinze	Wharf	553 17
Pointe Piche	Wharf	48,426 51
Portage du Fort	Bridges	12,849 74
Portage du Fort and Bryson bridge	Sand blasting	5,078 84
Quyon	Wharf	3,057 53
Riviere Courville	Dredging	500 00
River Kinogeris	Dredging	1,196 00
Senneterre	Wharf	2,797 10
Kippewa	Telegraph lines	30,425 38
Ville Marie	Wharf	24,683 97
Shawville	Public building	3,844 52
	Total	$ 534,090 51

I take this opportunity of congratulating the Minister of Finance upon cutting in half the tax on sugar. This tax, which was two cents per pound has been cut to one cent, and I hope the state of the treasury will permit the minister to abolish the tax next year. All taxes are unpopular, but this levy has aroused the ire of the housewife who uses a great deal of sugar at preserving time.

It gives me the greatest pleasure and satisfaction to declare that I am proud to support a government which has introduced such measures as the marketing bill, the Bank of Canada bill and the proposed works program. All of these things will prove to be advantageous to our country. The marketing bill will be of great advantage to agriculture because it is designed to increase the prices of farm products by facilitating the efficient and profitable marketing of live stock and all other produce of the farm.

I have not sufficient time, Mr. Speaker, to go into the back to the land movement thoroughly. I will say that I have visited every part of my riding every summer and particularly the back to the land settlements. There are 398 families who have gone back to the land in the Abitibi district and 351 families in the Timiskaming district. They are happy because they are industrious and hard-working. Both, I am glad to say, will be fine settlements. Those people have gone in with the determination to make good and what they have accomplished in such a short time would surprise you. Recently I visited the new settlement at Laferte and there I found that a fine sturdy lot of settlers had located and were busy finding new homes in Pontiac county. Of course, there are criticisms I could make as to the way in which the Quebec government has administered these settlements, but I hope that the authorities at Quebec will deal with these

complaints as this is entirely a provincial matter, and out of my hands. I might say that too much money has been spent on transporting these new settlers, but as the administration of the settlements rests squarely upon the Quebec government I can do nothing but voice these complaints, hoping that the authorities at Quebec will step in and correct them.

I want also, Mr. Speaker, to congratulate the Minister of Finance on his words in the budget in which he indicates there is to be a lowering of interest rates. Interest rates have proven to be a heavy burden to the farmer. Now I am glad to say that the government proposes to bring down legislation designed to provide machinery whereby farmers who find themselves unable to pay the fixed charges on their outstanding debts will be able by an expeditious and inexpensive process to work out compromises with their creditors and to obtain new working capital. The guiding principle of this legislation will be to secure for the farmer a simplified debt structure reduced in size to a point where the carrying charges will be within the capacity of farm enterprise to pay. This will involve some concessions on the part of creditors, as outlined by the Minister of Finance, but these will be more than outweighed by the advantages which will follow as a result of retaining the farmer as a willing and effective producer. As the Minister of Finance points out, the release of economic energy so produced and the substitution of hope and goodwill for despondency and discontent which are now prevalent in certain parts of our country should result in a real gain to our whole domestic economy.

Now, Mr. Speaker, I want to tell something of the riches of the county which I have the honour to represent. Pontiac county is the largest gold-producing county in the province of Quebec. In 1924, 1925, and 1926 the molybdenite mines produced a total of $30,855.

The next year, 1927, the production increased to $40,000. Then in the northwest section of the county, Rouyn and other parts, there were great gold and copper discoveries. To illustrate the mineral riches of the county I will simply give the production figures:

1928	$ 5,528,160
1929	10,215,791
1930	11,339,902

The reason 1930 has such a high figure is the increased price of copper.

1931	$9,388,200
1932	9,509,199
1933	9,646,281

[Mr. Belec.]

Thus, Mr. Speaker, you will see that since 1924 Pontiac county produced $55,667,533 in new mineral wealth. Great mines like Noranda, Siscoe, Treadwell, Big Ben, Beattie, Cadillac, which I visited last summer, were working three shifts. Men were at work; men were happy. There was no depression in that area. Further, these mines were stabilizing conditions in the depression. They were stimulating other branches of industry by their purchases of materials and were a boon to the agriculturist. I am glad that the government has modified the tax on gold, and I am sure that the industry is appreciative of the fact.

On the whole I am proud to represent such a fine county as Pontiac with its great people and richly diversified resources. I have been in the House of Commons just over three years and believe that I have done my duty. I am proud to support such a strong leader as the Right Hon. R. B. Bennett whose policies saved Canada in the depression.

Mr. EUSEBE ROBERGE (Mégantic) (Translation): Mr. Speaker, the budget brought down this year by the hon. Minister of Finance (Mr. Rhodes) is not in keeping with the promises of the right hon. Prime Minister (Mr. Bennett) at the 1930 election.

The Prime Minister had made so many promises in order to win that election that he knew full well that he would never be able to fulfil them. Had we had at the helm of affairs, during this crisis, a business man acquainted with the various phases of the life of a worker or farmer or a poor man, he could have helped them, but unfortunately for Canada, the country has been governed, since 1930, by a man who became a millionaire, being favoured by chance, and forgot, therefore, that all could not pay their taxes as readily as he could. The Prime Minister should have known that, during a crisis, the poor man should not be called upon to supply the funds to administer the affairs of the country, but that they should come from the pockets of those who are making or have made money.

If the government has always been in great difficulty, it is because it always endeavoured to tax those who have experienced the greatest hardships throughout this crisis. It first began by taxing the unemployed, even on articles essential to life, while the workman, since this administration is in office, earns petty wages and is over-taxed by a government which had promised him, in 1930, that prosperity would return. It then taxed the farmers who, since this government is in

power, sell their products for fifty per cent less than under the Liberal regime, while, on the other hand, they pay much more taxes.

The Prime Minister, instead of increasing the taxes of the workman and farmer, could have easily decreased them. Had the Prime Minister accepted the suggestions of the opposition, he could have balanced his budget and even shown a surplus by levying taxes on those who can afford it—I intend to prove this. The government could levy, according to the reply I received to a question I put in 1933, the nice amount of $78,266,145.74 by increasing two fold, during the crisis, the tax on incomes ranging from $10,000 to $1,000,000.

On April 20, 1933, I put the following question to the minister:

Mr. Roberge: What amount did the government receive in 1932 by way of income tax from individuals, companies, corporations or others, who paid tax on an income ranging from $10,000 to $5,000,000?

Hon. Mr. Ryckman: Individuals, $21,753,463.37; corporations, $35,749,230.32.

Furthermore, on May 2 last I put the following question:

Mr. Roberge: What amount did the government receive in 1932 by way of income tax from individuals, companies, corporations or others who paid tax on an income ranging from $500,000 to $1,000,000?

Hon. Mr. Ryckman: $20,764,572.05.

So that the government has received from individuals, companies and corporations having an income ranging from $10,000 to $1,000,000, a total amount of $78,267,265.74.

Those whose income ranges between $10,000 and $1,000,000 should be the ones to help the state in a time of crisis. By levying this double income tax the government could afford to suppress the tax on sugar and food which are essential to life and which had always been exempt from the sales tax before 1932. If such a system of increasing the revenues has proved beneficial to our neighbours to the south, it should also prove beneficial to us.

The following is what we read in newspapers on the subject:

Mr. Roosevelt does not desire stabilization. The readjustment of the income tax.

Washington.—The treasury board suggested to the congress committee on ways and means a readjustment of the extra tax on large income, so as to lighten the burden of the income tax which falls on the rate-payers who earn their wages by working.

A representative of the treasury board stated that the revenue from the income tax would thus be increased by about $270,000,000.

Without any difficulty the government could levy $50,000,000 on the gasoline trade, according to a statement made in this house by my colleague, the hon. member for Beauce (Mr. Lacroix), one of the foremost business men of Canada. He suggested that gasoline from foreign countries should be on our free list. According to the hon. member's statement, gasoline can be delivered at Quebec or Montreal or any other seaport for 5 or 6 cents per gallon.

The government by levying a sales tax of 10 cents per gallon would receive at least $50,000,000. To protect the consumer against unscrupulous dealers, the government could stipulate that the gasoline could not be sold at more than 25 per cent profit on the original price paid in Montreal, Quebec or any other port, besides the sales tax. That is one way the government could raise a revenue of $50,000,000 yearly, while protecting the consumer and allowing a margin of reasonable profit to the trusts.

Let us examine what would be the cost price of gasoline, according to the scheme I suggest: Price paid, 6 cents per gallon, special sales tax 10 cents, the fixed profit of companies 25 per cent, namely 4 cents. The local dealer would be allowed 2 or 3 cents profit per gallon, the total would amount to 23 cents. Therefore, the consumer would be paying 6 or 7 cents less for his gasoline, the government would receive a handsome profit and the companies would still be making more profits, with a margin of 25 per cent, than the three-quarters of the dealers in this country.

This government does not wish to interfere because it favours trusts.

The same situation exists for coal, according to the investigation held by the Quebec provincial government. The evidence showed that in 1932, coal cost, delivered in Canada, at any seaport, $5.91 per ton. By adding a special sales tax of $5 and allowing the dealer a commission of 25 per cent, coal should sell at $13.65, while the consumer pays at least $15. Therefore the government in no way benefits.

According to the investigation held in Quebec, 3,148,902 tons of coal were imported into Canada in 1932. The government could have received the handsome profit of $15,720,000, had it levied a sales tax of $5 per ton and controlled the transaction of the trusts. But as the principal stock holders of these trusts are friends of this government and that the latter protect trusts, the consumer has to suffer.

The government could also levy $25,000,000 from those who can afford to speculate on stocks, by placing a 2 cents tax on every share sold on the exchange. But this does

not meet their wishes, because they prefer taxing sugar and foodstuffs. They therefore place the burden of taxation on the working classes instead of on the wealthy class, which they protect.

To summarize, the government could levy $78,000,000 more on the income tax; $50,000,000 on gasoline; $15,000,000 on coal; $25,000,000 on stocks sold on the exchange, which would make a grand total of $168,000,000; while those who would pay that amount would in no way be the poorer, because they have the means to do so. This amount could have helped the government to suppress all the taxes levied on the farming and working classes, ever since they are in office.

There are many other trusts in this country from which the government could levy taxes in order to relieve the worker and farmer. All suggestions, sir, coming from the opposition which might improve our financial situation and relieve the people from overtaxation, does not meet the wishes of this government which has its own way of drawing the last penny of poor people and protecting a small group of millionaires who control the trusts on gasoline, coal, water powers and tobacco and many others, to the detriment of the people.

The Canadian people had a right to expect that the budget of 1934 would show some improvement, they had a right to expect that the prime minister would reduce taxation which so heavily burdens the poor, the workmen and farmers. The Prime Minister should have read what his predecessors have written or stated and the views of great financiers on high protection. The following are a few excerpts:

Toronto, January 24, 1933.

Sir Robert Borden, speaking in Toronto, last evening, insisted on the necessity of a greater freedom in trade relations throughout the world.

And to obtain a greater freedom in our trade relations, we must lower our tariff barriers.

Toronto, March 25, 1934.

The Hon. Mr. Meighen, former Prime Minister, speaking in Toronto:

The country's salvation demands a remedy for unemployment. People who set aside their savings in order to speculate should be made to bear the taxes.

This former prime minister would no doubt approve of the tax which I suggested. Those who speculate in stocks should be made to pay instead of the workman.

Saskatoon

Sir Henry Drayton, Chairman of the Financial Committee of the Board of Trade, suggested in his speech to reduce expenditure and taxes so as to accelerate the movement of economic restoration.

April 11, 1934.

The following is what Mr. S. H. Logan, Director of the Canadian Bank of Commerce, stated:

The high tariffs of importing countries were responsible for the crisis in this country.

February 21, 1934.

Sir Arthur Balfour of Sheffield, London:

That protection barriers constitute a greater threat to the peace of the world than the building of war ships.

This should make the protectionists of this country pause.

As you may judge, sir, by all these statements, high protection is a thing of the past and the government must, to relieve the crisis, entirely change its policy.

What remedy does this year's budget propose so as to relieve unemployment and reduce the cost of living? The government reduced by one cent the tax on sugar and cigarette tubes, a tax which had been in force for one year only, and the most unjust one that ever was levied by a government. If the government tax on sugar has been reduced it is not because its finances have improved—the national debt has increased by $135,000,000—but because of the protests of the Liberal party and the public.

Let us examine the tax on hops and beer. The government has made some changes in connection with the 3 cents tax on hops. After suppressing the 12½ cents tax per gallon on beer, they increased the tax on hops to 7½ cents. They contend that the returns will be as large while the work of officials of the department will be greatly lessened. I have been informed that the government intend to levy a further tax on the people by increasing the tax on hops. Most of our families that bake their own bread use hops and a number of our workmen and farmers who have not the means to purchase beer brewed by trusts, make their own beer and use hops. If the government expect to levy as large a revenue, by this new tax on hops they will be protecting the beer trust to the detriment of the working and farming classes.

Since this government has been in office, it has yearly increased the customs tariff. Our prime minister should realize that high protection has not been a success, because, since he is at the helm of affairs, the country's debt has increased over $500,000,000, namely, an increase of $2 per capita, yearly. Such is the result of the Bennett high protection.

The government could have ended the crisis by accepting the solution which my colleague,

the hon. member for Antigonish-Guysborough (Mr. Duff) suggested to the house in 1933 and in 1934.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

PRIVATE BILLS

CONSIDERED IN COMMITTEE—THIRD READINGS

Bill No. 59, for the relief of Archibald Bruce Elliott Smart.—Mr. Bell (St. Antoine).

Bill No. 60, for the relief of Lilac Violet Grumbell Reid.—Mr. Casselman.

Bill No. 61, for the relief of Lily Archer Watson.—Mr. Bell (St. Antoine).

Bill No. 62, for the relief of Annie Isabel Tinning Meldrum.—Mr. Bell (St. Antoine).

Bill No. 63, for the relief of Lois Theresa Malcolm.—Mr. Bell (St. Antoine).

Bill No. 65, for the relief of Lucy Doris Cannon.—Mr. Pettit.

Bill No. 66, for the relief of Helen Isabelle Smith Maybee.—Mr. Bell (St. Antoine).

Bill No. 67, for the relief of Sybil Eileen Dyson Richardson.—Mr. Bell (St. Antoine).

Bill No. 68, for the relief of Bertha Alice Maude Maher Burke.—Mr. Heaps.

Bill No. 69, for the relief of William James Thistle.—Mr. Heaps.

On division.

SECOND READINGS

Bill No. 74, for the relief of Marjorie Seymour Hammond Zavitz.—Mr. Bell (St. Antoine).

Bill No. 75, for the relief of Lucille Margaret Turbin Kelly.—Mr. Vallance.

Bill No. 76, for the relief of Esther Liverman Kazenel.—Mr. Lawson.

On division.

THOUSAND ISLANDS BRIDGE

CONCURRENCE IN SENATE AMENDMENTS

Mr. M. J. MALONEY (South Renfrew) moved the second reading of and concurrence in amendments made by the Senate to bill No. 27, to incorporate the Thousand Islands Bridge Company.

Motion agreed to; amendments read the second time and concurred in.

NATURALIZATION ACT

PROPOSED AMENDMENTS RESPECTING NATIONALITY OF WOMEN

Mr. J. L. BROWN (Lisgar) moved the second reading of Bill No. 31, to amend the Naturalization Act.

He said: Mr. Speaker, the bill to which I am now asking that second reading be given has been on the order paper since early in the session, and I may say that it was brought forward at the request of some of the women's organizations in Canada. Since it appeared on the order paper I have received many communications from women in all parts of the dominion expressing their sympathy with the purpose of this amendment. In late years we have done a great deal towards giving women equality of status with men in almost all walks of life. They can sit in the House of Commons; it has been decided that under the law they are persons who can sit in the Senate, and in many other ways we have given them the privileges and rights that have been given the men. Many of the women still feel that in this matter of naturalization, however, they are not occupying the status they would like to occupy. It is true that much has been done, and many of the actions that have been taken have met with hearty approval. I might refer to the fact that in 1931 the Secretary of State (Mr. Cahan) brought in a bill, which passed this house, giving women the privilege of retaining their British nationality after marriage unless at that time they took the nationality of their husbands, and I should like to express on behalf of the women and the people of Canada generally an appreciation of the fact that the regulations concerning the naturalization of women have been somewhat modified, particularly in the matter of expense. At the same time, however, there is a feeling on the part of many that our laws have not gone as far as they might in recognizing the rights of women to naturalization in their own right.

It is not my intention to occupy a great deal of time in speaking on this bill to-night, since I know the mind of the minister and would like to give him full opportunity to express his attitude. I intend to make my remarks very brief, but I should like to bring to the notice of the house the fact that under existing laws cases still arise which entail a good deal of hardship and confusion. Just a few days ago I received a letter from a firm of solicitors in Toronto which I think I should read, without giving the names:

> We note that you introduced Bill No. 31, an act to amend the Naturalization Act, upon March 12th, 1934, and have been awaiting news of the passage of this bill through parliament.
>
> A young Dane applied through us for naturalization papers last October, subsequently married on December 16th last and expects to receive his certificate of naturalization within the next few weeks. Upon receiving his certificate he proposes to take his wife to Denmark for a short visit.
>
> Should your bill be passed and become effective before the 16th of June, 1934, we feel

that the young woman may safely consider herself to have retained her British nationality, despite her marriage to a man who was, at the time of such marriage, an alien. Otherwise, the determination as to her status of nationality involves several complicated problems in private international law.

Accordingly, we should be pleased if you could inform us whether your measure is likely to become effective by June 16th, as we must advise our client in what steps she will need to take to enable her to pass through Europe unhampered.

That is just one illustration, and I believe there are numerous cases in which a great deal of confusion and perhaps actual hardship is experienced because of the present law.

Another matter has been brought to my attention, and the papers in reference to it were just placed in my hands as this bill was called. I have not had an opportunity of reading them, but as I understand it this is the situation: If I am correctly informed our department has refused to grant naturalization certificates to people from Switzerland because the Swiss government is not willing to release them from their allegiance to their own country. Perhaps I am not stating the case correctly but, as I have said, these documents were placed in my hands just a few moments ago by the hon. member for Skeena (Mr. Hanson), who was talking with me some little time ago about the matter.

Mr. CAHAN: We require the consent of the Swiss government, as we do in all cases where our naturalization certificates are not recognized.

Mr. BROWN: The minister can make his statement during the course of his reply. It does seem only fair and reasonable, however, that we should grant naturalization to all applicants who conform to our laws, and it is open to question as to just how far we should allow our laws to be governed by the laws of other countries. It may be that in some cases it would mean dual nationality, which may be objectionable from some points of view, but at the same time I think this is a matter that should be considered.

I have here another extract which I should like to read to show that the women of the empire as well as those of Canada are taking a very active interest in this question and are asking that Canada give a lead to the empire in matters of this kind:

> Dominion women who want Canada to take the initiative in legislation providing that a married woman should have her own nationality and not be required to adopt the nationality of the man whose wife she has become, waited on the High Commissioner at Canada House the other day.
>
> They urged that one of the dominions—Canada for preference—should take the first step towards producing agreement between all parts of the empire, since opposition to the reform seemed now to consist of stressing the difficulty of securing such unanimity.
>
> British women, it was alleged, had lost the right to keep their own nationality after marriage by legislation in 1870. Before that date British women who married foreigners remained British.
>
> As a result of recent legislation in Canada and the United Kingdom there was now no longer uniformity in the empire, a married woman in some cases being regarded as British in one place but not in another. The deputation also urged that the Hague Nationality Convention, which accepted the principle of the dependence of the nationality of the wife on that of the husband, should not be ratified.
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> Mr. G. Howard Ferguson thanked the deputation for putting their views before him and undertook to transmit them to Ottawa.

I am perfectly aware of many of the difficulties which may confront us before we could reach a final solution of this matter. Some progress has been made, but that it has not been made fast enough to satisfy the desires of our people is I believe hardly open to question. The women who asked me to bring this matter before the house were very insistent with regard to it, and I should like to have the matter considered by the house.

Hon. C. H. CAHAN (Secretary of State): Mr. Speaker, as the hon. member has observed, this matter is surrounded with many difficulties, one or two of which in his short statement he has emphasized. For more than a century in Canada we have from time to time had difficulties with regard to the naturalization of aliens in this country. Under the laws of Upper Canada, of Lower Canada, and again under the laws of United Canada after 1840 down to 1867, and again from 1867 to 1914, this matter from time to time has been under the consideration of successive legislatures. But until 1914 in none of the provinces of Canada, old or new, had the parliaments or legislatures the legislative authority to grant a certificate of naturalization to an alien which would be in force beyond the confines of Canada, whether the old provinces of Canada or the more recent Dominion of Canada as we have known it since 1867. To grant to an alien a certificate of naturalization that is not recognized by other British dominions or by the United Kingdom on one hand or by any foreign power on the other has served under the laws which have heretofore existed to place such naturalized Canadian under insurmountable difficulties the moment he passes

the three mile limit of Canada. In fact the condition reached a crisis in Canada at about the time of the Franco-German war. Many aliens had received naturalization certificates in Canada making them British subjects in Canada, but the moment they passed outside Canadian borders they were not recognized as British subjects in any part of the British Empire or in any other part of the world. So that in 1873 the parliament of Canada, after reciting the grievances which resulted from other parts of the empire not recognizing certificates of naturalization made in any other part of the empire, and which resulted from foreign countries refusing to recognize those certificates of naturalization, passed a resolution. The text of the resolution was as follows:

Resolved that an humble address be presented to Her Majesty setting forth the aforesaid grievance and praying that Her Majesty will be graciously pleased to take such steps as may be necessary for the redress of the same, by the negotiation of naturalization treaties between Great Britain and the German and other foreign states, so that legally naturalized foreigners in Canada may not hereafter be subjected to the disabilities of a divided allegiance, but be entitled to all the rights, privileges and protection of British subjects in every part of the world, and in as full a measure as if they had been subjects of Great Britain by birth.

This address was engrossed and dispatched to Her Majesty. I have not the time to enter into the subsequent political discussion or the decisions of the British courts with respect to colonial naturalization. But it was clearly decided in the British courts time and again up to and including the time of the recent great war that no force or effect beyond the territorial limits of a dominion or of a colony or a possession of Great Britain could be given to its naturalization act, so long as section 16 of the imperial act of 1870 remained in force. And at the present time when those citizens or subjects of foreign states who, prior to 1915, received naturalization certificates in Canada pass beyond the confines of Canada and enter any other part of the British dominions, they are not regarded as British subjects. If they enter any European state, and particularly the state or states of which they were subjects or citizens prior to their naturalization here, their Canadian certificate of naturalization is not recognized, and from time to time we are met with cases of such citizens going abroad possessing the old form of certificate of naturalization, being arrested, compelled to do military duty and subject to pains and penalties because they have not returned to their native country to perform military services and other civic duties. Under our law, however, there is a provision whereby they may obtain a new naturalization certificate from the Secretary of State of Canada giving them all the rights of British subjects in every part of the British dominions. But it is impossible—although I urge it from week to week and from year to year—to impress upon them the necessity of applying for such certificates, known as imperial certificates.

This matter of our naturalized citizens or subjects having no rights as British subjects beyond the confines of Canada was a subject very dear to the heart of the late Sir Wilfrid Laurier. The matter was discussed at the colonial conference of 1902, again at the imperial conference of 1907 and again at the imperial conference of 1911, at which the late Sir Wilfrid Laurier, the then Prime Minister, represented Canada. At the conference in 1911 Sir Wilfrid urged that an imperial act should be so framed and enacted so as to enable each self governing dominion to adopt it, and thus bring the naturalization laws of the United Kingdom and of the several dominions into complete conformity He insisted that imperial nationality should be world wide and uniform, each dominion being left free to grant local nationalities as heretofore on such terms as its legislature should think fit. It is unnecessary for me to enter into a full consideration of what took place at the conference of 1911, but the result was that in 1914 the parliament of the United Kingdom passed what is known as the Naturalization and Status of Aliens Act, and in the same year that act was adopted by the parliament of Canada. It has been adopted also by Australia, South Africa and New Zealand. So that so far as the empire is concerned, any British subject receiving a certificate of naturalization in Canada under that act is a British subject throughout the whole of the British Empire. Those who received certificates under the acts prior to 1914 were not British subjects once they had passed beyond the confines of the dominion in which they had received their certificate.

A number of cases arose during the late war which those lawyers who desire to study the question will find exceedingly interesting. One was the case of a German who went to Australia early in life and received a certificate of naturalization in that country prior to 1914. After the outbreak of the war he went to England and was arrested as a German subject who had not reported to the police under the laws then in force in the United Kingdom. The courts of England decided that having been naturalized under the old

acts prior to 1914 he was not a British subject once he went beyond the confines of Australia. He was imprisoned and visited with severe penalties for not reporting. This case is reported in Regina vs. Francis, ex parte Markwald, 1918, 1 King's Bench, 617. It again came before the courts and is reported in Markwald vs. Attorney General, 1920, Court of Appeal, 1 Chancery, 349. Another case arose in British Honduras, to which a man, I think a German, had come with his father at an early age. His father became naturalized and he himself became a naturalized British subject. Later on he rose quite high in the legislative council of that colony and subsequently became acting governor. For some reason or other one of the central American states had some criticism to make of his official acts as governor and when he left the confines of the colony he was arrested. The British government refused to intervene on the ground that he was a British subject only when within the confines of that colony.

It has become very important in our efforts to solve these various difficulties that we should conform to the agreements made at the conference of 1911 and reaffirmed at every imperial conference since that date. It was then agreed that changes in naturalization laws should not be made by any dominion or by the parliament of the United Kingdom without the general consent of the other self governing dominions, so that a British subjest in one dominion might thereafter be a British subject in the other dominions. That convention has been carefully adhered to. The matter was brought up at subsequent imperial conferences and at the last imperial conference held in 1930 it was again affirmed. I quote from the report:

> That, if any changes are desired in the existing requirements for the common status, provision should be made for the maintenance of the common status, and the changes should only be introduced (in accordance with present practice) after consultation and agreement among the several members of the commonwealth.

It was in accord with the agreement reached at that conference that I had the honour in 1931 of introducing an amendment to the Naturalization Act of Canada. This amendment conferred much larger privileges upon married women in Canada who had married foreigners, in certain cases, and to others who were aliens but who had married British subjects in Canada or who had been naturalized by certificates of naturalization issued in this country. That bill of 1931 subsequently became law and was adopted verbatim by the parliament of Great Britain at a recent session and is now the law of the United Kingdom as well. We have proceeded in conformity with that understanding because it appears to be useless and vain to make an alien a British subject in Canada when he will not be recognized as a British subject in the other dominions.

There is another phase to the question. Under the act of 1914 we could grant certificates of naturalization to alien men or women, but such a certificate granted to a Swiss subject or a subject of Czechoslovakia or of nearly all the other European states without their consent is not of great value. Such a certificate may lead that naturalized British subject into great trouble if he proceeds beyond the confines of this country and visits the state of which he was a former citizen or subject. Therefore to this day when we grant certificates of naturalization to the citizens or subjects of certain states we ask those states to release the particular applicant from his allegiance to the state of which he was a former citizen or subject Otherwise, we have to bring to his notice and impress upon him that when he goes beyond the confines of this country his status as a British subject will not be recognized by the state of which he was a former citizen or subject and may not be recognized by many other European states.

Mr. NEILL: Will the minister pardon me a moment? He says, "going beyond the confines of Canada;" does he not mean outside the confines of the British Empire?

Mr. CAHAN: I should have said, going ouside the confines of Canada into a country other than a British country.

This matter has now again come up for careful consideration. We recognize that a statute passed by the parliament of Canada under which a citizen or subject of a foreign country becomes a British subject in Canada is really ineffective when it comes into opposition with the statutory law of Switzerland, of Czechoslovakia or of a number of other states which I could mention, which declare that unless released from his original nationality, the certificate of naturalization as a British subject will not be recognized in that country. An effort was made by the late administration to avoid the difficulties which arose out of this dual or divided allegiance, by seeking to secure the acquiescence or recognition by foreign states of the granting of certificates of naturalization as British subjects in any part of the British Empire.

This question came before the imperial conference of 1926 and was then referred to an expert committee on interimperial relations. That committee met in October, 1929, and the Minister of Justice in the late administration, the hon. member for Quebec East (Mr. Lapointe), represented Canada on the committee. That committee, after a thorough investigation of all the interrelations of this question, deferred definite action in view of the necessity of obtaining international cooperation and consent, and also in view of the fact that a conference had been called at the Hague for the codification of international law and the knowledge that this subject would then be considered by the representatives of all the nations at that conference at the Hague. That conference met in March and April, 1930, under the auspices of the League of Nations, and Canada, which was represented by a delegate appointed by the late government, became one of the signatories to that convention, which is known as the Hague Convention.

That convention was subject to ratification by the signatory states and it was provided that ratifications should be deposited with the secretariat of the League of Nations. With regard to the nationality of married women this Hague convention provided as follows:

Article 8

If the national law of the wife causes her to lose her nationality on marriage with a foreigner, this consequence shall be conditional on her acquiring the nationality of the husband.

Article 9

If the national law of the wife causes her to lose her nationality upon a change in the nationality of her husband occurring during marriage, this consequence shall be conditional on her acquiring her husband's new nationality.

Article 10

Naturalization of the husband during marriage shall not involve a change in the nationality of the wife except with her consent.

Article 11

The wife who, under the law of her country, lost her nationality on marriage shall not recover it after the dissolution of the marriage except on her own application and in accordance with the law of that country. If she does recover it, she shall lose the nationality which she acquired by reason of the marriage.

At that session at the Hague, during two long months, very definite differences of opinion were expressed by the representatives of the several nations. In fact, the conference was almost equally divided for and against permitting married women to acquire a separate and distinct nationality from the nationality of the husband, and the articles which I have read were tentatively adopted, subject to ratification, as the largest measure of agreement that could be reached by the nations there represented. Although that convention was signed by a representative of the late government, events ensued in 1930 which prevented the government of the right hon. the leader of the opposition (Mr. Mackenzie King) from ratifying it. It was therefore brought again to the attention of the imperial conference of 1930, and by common consent of the British dominions there represented in that conference it was agreed that legislation should be introduced by the several dominions to carry that convention into effect. The bill of 1931 which I had the honour of introducing has carried the Hague convention into effect to the full extent at which an agreement was reached at that convention, and Great Britain, as I have said, has enacted a similar measure, with the result that both Great Britain and Canada, together on the same day, have deposited ratifications of these several sections of the Hague convention which I have read.

Now that Hague convention is likely to sit again within a short time. There is provision whereby it may be convened again in January, 1936, as provided in article 27 of that convention, at the request of nine states, members of the League of Nations, who have ratified the convention; and it is certainly to be hoped that when that Hague convention resumes its session in 1936, if there are nine states who have ratified it, there will be further consideration of the entire subject. And in so far as the British dominions agree, and foreign states acquiesce, we shall feel that it is competent for us to extend the rights and privileges which are desired by many women throughout the country.

My hon. friend's bill has been drawn under one or two misapprehensions, because an unmarried woman has exactly the same right as a man, whether married or not, with respect to the obtaining of naturalization. But the government feel that in view of the attitude taken by their predecessors, in view of the long line of consistent policy which has developed during the last century, now, when for the first time we have reached agreement to a certain extent with the British dominions as to the rights and privileges of British subjects throughout the empire, now when we have reached with certain states in Europe a consensus of opinion with regard to the rights and privileges which should be granted by European states as well as our own to women, it is inadvisable for this parliament to disrupt that continuity of progress and policy and to revert again to the state of

embarrassment and difficulty with which this country had been confronted for nearly a century.

There are very few states indeed which recognizes that a Canadian woman, a British subject, who marries an alien of a foreign state can retain her British nationality after such marriage, because by the law of most states she thereby becomes a citizen or subject of the foreign state—Czechoslovakian, the Swiss, and a number of others. And until we can reach an agreement whereby naturalization in this country is recognized by those foreign states, in the case of our naturalization of their citizens, we should, we think, proceed very warily and very cautiously. Therefore I feel that this government has consistently followed the policy laid down by its predecessors running back to the decision of Sir Wilfrid Laurier at the conference of 1911.

The subject is a very complicated and difficult one. Throughout the year several hundreds of letters a week reach my office dealing with the complicated conditions to which the hon. member who has moved the second reading of this bill has referred. We endeavour to solve those difficulties as best we can, but there is no solution which we can devise in respect of an alien who has become naturalized in this country going abroad unless he is recognized as a British subject by the state of which he was formerly a citizen. I think this matter will be settled perhaps within a few years; I hope it will be settled at the next assembly at the Hague. I did my best when the matter was brought up at the assembly of the League of Nations at which I had the honour of representing this country, but it was then impossible to obtain the consent of any large number of foreign states to our going further than we have gone in following out the decision of the imperial conference of 1930 and the Hague convention of the same year.

I trust the hon. gentleman, after he has elicited the views of the house, will feel disposed to withdraw the bill on its second reading and leave to this government or successive governments ample elbow room in working out these difficulties which are very grievous and embarrassing.

Mr. HARRY BUTCHER (Last Mountain): Mr. Speaker, in view of the observations of the Secretary of State (Mr. Cahan) I do not propose to say anything in support of the bill, but I want to take this opportunity of thanking him for the very favourable reception he gave to the representations made by myself and, I believe, by others with respect to the fee payable by the wife of a newly naturalized alien on making a declaration of desire to obtain British citizenship. It will be within your memory, Mr. Speaker, that prior to August, 1931, the wife of a newly naturalized alien, merely by virtue of the naturalization of her husband, became also a British subject, but in August of that year the law was changed in that respect and it became necessary for the wife of a newly naturalized alien, who wished to acquire British nationality herself, to make a declaration to that effect. The fee on making such aplication was $5 and it was felt by many that such a fee was excessive. On behalf of many who are interested in the subject I and no doubt others made representations to the Secretary of State and he was kind enough to take the matter up with council with the result that the fee was reduced. I find that by order in council P.C. 646, dated March 29, 1934, the fee for filing a declaration of acquisition of British nationality was reduced to the sum of one dollar. On behalf of those who are interested in the matter I desire to thank the Secretary of State for his action.

Mr. J. A. BRADETTE (North Timiskaming): Mr. Speaker, I do not know if I am in order, but the matter which I wish to bring to the attention of the Secretary of State (Mr. Cahan) is one which directly affects women of foreign nationality who make application for naturalization.

Mr. DEPUTY SPEAKER: Order. Unless the hon. member wishes to speak to this bill I do not think he would be in order in bringing up now the subject to which he refers. It should come before the orders of the day are called.

Mr. CAHAN: If the hon. member will present the case in question to me by note or personally, I will see that he has a satisfactory answer if it is possible to give him one.

Mr. BRADETTE: I thank the minister.

Mr. A. W. NEILL (Comox-Alberni): Mr. Speaker, I do not want to delay the matter past the hour. The hon. member for Lisgar (Mr. Brown) is to be congratulated, not perhaps on introducing this bill which may at this time be inopportune, but in eliciting from the Secretary of State (Mr. Cahan) such an excellent resume of the law governing naturalization. This is really valuable to keep for ready reference.

I want to see the record complete—and I should like the minister to correct me if I am wrong—on this one point: The British act which enacted British wide nationality requires the residence to be five years. Prior

to that the residence in Canada had to be only three years. This is the point I want to make clear. I believe in that act provision was made that if anyone living in Canada was naturalized under the three year provision he could by some simple process, provided he then fulfilled the five year residence, apply and come under the empire-wide naturalization.

Mr. CAHAN: That is so.

Mr. NEILL: The minister did not mention that, and if he does so, the record would be complete.

Mr. CAHAN: That is true. We are anxious that those who received naturalization certificates under the old act should qualify under the act of 1914 and thus avoid all sorts of difficulties in going abroad.

Mr. BOWMAN: Is there any additional fee?

Mr. CAHAN: I do not recall. If any, it is very small.

Mr. BROWN: In view of the very full statement made by the Secretary of State I have no desire to press this matter to a vote and with the consent of the house I shall withdraw the bill.

Bill withdrawn.

THE BUDGET

ANNUAL FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The house resumed consideration of the motion of the Minister of Finance that Mr. Speaker do now leave the chair for the house to resolve itself again into committee of ways and means, and the amendment thereto of Mr. Ralston.

Mr. ROBERGE (Translation): Mr. Speaker, when the house rose at 6 o'clock, I was discussing a resolution that my colleague and friend, the hon. member for Antigonish-Guysborough introduced in the house in 1933 and which, had it been adopted, would have greatly helped the farming class. This resolution was again introduced this year, and is as follows:

Trade With The United States

Proposed reciprocal arrangement for exchange of natural products.

That in the opinion of this house, it is expedient that the government of Canada reopen negotiations with the government of the United States of America with a view of bringing about a satisfactory reciprocal trade arrangement between Canada and the United States, whereby the natural products of Canada, that is the products of the sea, the farm, the mines and the forests, and including fish, lumber, wheat, cattle, etc. should have free entry into the United States, in exchange for the admission of certain goods from the United States of America, which in the interests of both countries may be admitted into Canada, free from customs tariffs.

The following is the Prime Minister's reply to the resolution, on February 19, 1934.

Right Hon. Mr. Bennett: I move seconded by the Minister of Finance (Mr. Rhodes):

That all the words after the word "that" in the said resolution be struck out and the following substituted therefor:—

"on the 1st day of May, 1933, the Prime Minister informed this house that the governments of Canada and the United States of America had agreed to begin a search for means to increase the exchange of commodities between the two countries and thereby promote not only economic betterment on the North American continent but also the general improvement of world conditions, and while no trade agreement between the two countries has yet been arrived at, this house approves of the government continuing their efforts to that end."

It would have been preferable for the Prime Minister to state immediately that he did not desire to sign any treaty with the United States and that he intended to allow our representative, at Washington to idle away his time. The latter costs the country nearly $100,000. Had he had any intention to sign a treaty with the United States, he certainly had time to do so since he opened negotiations with them. Our farmers would have benefited this year by such a trade agreement, especially as to maple sugar, which sold in Canada. in 1934, 6 cents per pound less than in the United States. In fact all farm products mentioned in the resolution of the hon. member for Antigonish-Guysborough would have benefited.

However, it is contrary to the Prime Minister's policy to lower the tariff. All for Great Britain, whether it suits us or not makes very little difference to him. That is why I state that he is responsible for the communist ideas which have taken root in this country; he only protects the wealthy and the trusts to the detriment of the poor people. The country only awaits an opportunity to tell him what it thinks of his high protection and his policy which is contrary to the interests of the people. The last by-elections have proved it and the general election will but confirm my statement.

On April 26, 1934, we had the pleasure of listening to an eloquent speech by the hon. member for Dorchester (Mr. Gagnon) in support of bill No. 51, which was being discussed by the house. As representative of a

Quebec constituency, I was amazed at his attitude towards the hon. Prime Minister of Quebec in connection with a statement made by the latter and published by the newspapers, some time ago. The statement referred to bill No. 51, an act to improve the methods and practices of marketing of national products in Canada. I think that the hon. member for Dorchester should have rather approved the statement of Mr. Taschereau, because he has no right to ignore that the people of the province of Quebec are a minority in this Dominion and must take the necessary steps to see that our rights and privileges granted by the Fathers of Confederation are respected.

I further contend that it was the duty of the Quebec Premier to protest against this new measure which threatens the rights of provinces. The hon. member for Dorchester endeavoured to convince the house that Mr. Taschereau was inconsistent by making this statement, published by the press of the province, and in which he openly opposed this new measure. He had a bill enacted by the legislative assembly so as to permit his government to cooperate with the Dominion government so as to enforce the act, if thought beneficial. I think the hon. member for Dorchester, before criticizing Mr. Taschereau for being inconsistent, should have read the statement the Quebec Premier made when introducing bill No. 243, which permits the provincial government to cooperate with Ottawa, not only as regards Bill No. 51, but with any measure which might be enacted by this house at this session or by order in council, subject to being ratified by the Quebec legislature, at their next session. The hon. Mr. Taschereau stated on that occasion that bill No. 51 had just been introduced in the House of Commons, but that he was unable to say whether the bill would be adopted in its present form or amended so as to protect the rights of our province. The object which the Quebec government had in view when introducing bill No. 243, was simply to be in a position to take advantage of whatever might improve the situation in Quebec, and reject anything which might be detrimental to the interests, as a whole of the province, and it was his right and duty to take such steps.

To follow up what I stated in connection with Bill No. 51, why did the government, if this bill favours so much the interests of the farmers, delay the measure so long, why did it wait until the eve of an election to introduce it? Had the government adopted the following resolution moved by the right hon. leader of the opposition (Mr. Mackenzie King), on October 6, 1932, it might have helped the farming class.

Session 1932-1933, vol. II, page 1544.

Whereas parliament has been in session since October 6, of the present year and is shortly to adjourn until January 30, 1933;

And whereas, since parliament assembled the government has not made any statement of policy with respect to the relief of existing agricultural conditions;

And whereas, the position of agriculture in Canada has become increasingly deplorable and, unless relieved, will bring about a condition of distress hitherto unparalleled.

This house is of opinion that the government should immediately announce what policy if any, it has with respect to the relief of agricultural distress, and permit full consideration of the same before parliament adjourns over the months of December and January.

By adopting this resolution of the leader of the opposition, the government would have assisted the farming class. It did not then appeal to them, but on the eve of an election they begin to take some interest in the farming class.

The following is the amendment moved by the right hon. leader of the opposition on April 19, 1934:

That all the words after the first word "that" be struck out and the following substituted therefor:

This house, while prepared to support legislation for assisting the orderly marketing of natural products, is unalterably opposed to the enactment of any compulsory measure which delegates to unnamed and undetermined individuals, groups or organizations, sweeping powers over the production and trade and commerce of the nation, and which confers upon a minister of the crown and upon the governor in council unprecedented authority and unusual powers to restrict production, and interprovincial, inter-Imperial and foreign trade as regards both exports and imports, as well as other autocratic powers.

According to the official figures which I desire to place on Hansard, the public will have an opportunity of judging for themselves in what way the government takes an interest in the farming class which, in a crisis, should have been helped by the government.

In the estimates which are voted, each year, on March 31, $7,247,500 were appropriated to agriculture in 1929; in 1930, $8,483,326; in 1931, $8,751,795.24; in 1932, $9,929,908.08; in 1933, $6,671,100; in 1934, $7,365,912; in 1935, $6,510,620. We note a steady decrease, sir, in the appropriations for agriculture, since 1932. Between 1932 and 1935 ,there has been a reduction of more than $3,000,000, while in the appropriations for the Royal Mounted Police—I do not know whether the govern-

ment fears that the country may be kidnapped—there is a steady increase. In 1929, this service received $2,465,375.38; in 1930, $3,040,725.25; in 1931, $3,126,565; in 1932 $3,176,341.34; in 1933, $3,839,595.75; in 1934, $5,615,595.75; in 1935, $5,615,595.75. In looking over the official figures, sir, one may note the little interest which this government displays towards the farming class, since it increases the appropriations for the national defence and reduces those for agriculture, in a time of crisis.

May I, sir, place on Hansard a few of the promises which the right hon. Prime Minister made in 1930, so as to show his great sympathy for the farming class, in the course of the election campaign. How did he keep them?

The following is from the Calgary Herald on June 13, 1930:

> We pledge ourselves to foster and develop agriculture and live stock and dairy industries now so sadly neglected.

The Morning Citizen of June 30, 1930, published a speech delivered at Ormstown by the present Prime Minister:

> We of the Conservative party maintain that the dominion having control of all systems of taxation must assist agriculture, understand, by scientific study the problems under which we work and get the best returns. And we Conservatives are pledged to see that agriculture receives the same benefits as in the days gone by.

What resulted from these promises? We could quote many others, but these are sufficient to prove to the farming class in what way the right hon. Prime Minister intends to help them, namely, by reducing since 1932, the appropriations for agriculture by $3,419,288.08 and increasing those of the Royal Mounted Police by $2,439,254.41 for 1934-35.

Mr. J. R. MacNICOL (Toronto Northwest): In every budget debate that I have listened to since I became a member of this house hon. gentlemen opposite have apparently enjoyed themselves from time to time in charging that the fiscal policy of the Conservative party is one of tariff barriers, restricted trade, trade obstruction, subserviency to big interests, robber tariffs, exploitation, and so forth. The hon. member for Shelburne-Yarmouth (Mr. Ralston) added one further expression when he stigmatized the fiscal policy of this government as one of tariff embargoes. At the same time he questioned the efficiency of tariff bargaining as a means to increase the trade of this or any other country. For my part I am in favour of adequate tariffs, and I oppose the stigmatizing of the fiscal policy of this government as a policy of barriers, restrictions, obstructions, embargoes and so forth.

The hon. member for Yorkton (Mr. McPhee), when he spoke on the budget, asked: Where is the relief in connection with binder twine? I presume he must have had some thought that the question of binder twine had something to do with the budget now before the house. Ever since the government of the late Right Hon. Sir Wilfrid Laurier made binder twine free on January 1, 1898, binder twine has come into Canada free; this government has made no change in that regard, and as far as I know there is no intention whatever of changing the tariff as to binder twine. So why the question was asked I do not know. On the other hand I do know that on the thousand and one items imported into this country, all that are imported from outside the British empire pay an excise tax of three per cent, and those imported from within the British empire pay an excise tax of one and a half per cent. Knowing that the binder twine manufacturers of Canada pay a three per cent excise tax on all the fibre they import to manufacture into binder twine, and knowing that the British manufacturer, who is their second greatest competitor in that commodity, pays only one and a half per cent to ship his finished product into Canada, perhaps the hon. member for Yorkton thought that the Canadian manufacturer was not getting a square deal and had in his mind the idea of giving him some relief.

Since the question of binder twine has been mentioned, I recall having read that when the tariff was taken off binder twine on January 1, 1898, there were some twenty-five plants in Canada making binder twine. To-day there are three. At the time the tariff was taken off binder twine that article sold in Canada at six cents per pound. From the date of the removal of the tariff—I do not mean that free trade was the only cause that brought about this condition—the price of binder twine advanced until in 1918 it was thirty cents a pound. So I say free trade is not a cure-all so far as prices are concerned, but it certainly did put out of commission a goodly number of binder twine companies.

I have spent many years in industry and in association with employment. The principal reason that I am in the house to-day is in

order to do what I can for both employment and industry, because I know they go hand in hand. I know that the tariff does provide jobs.

Some hon. MEMBERS: Oh, oh.

Mr. MacNICOL: The hon. member for West Lambton (Mr. Gray) may laugh at that, but he has a number of new industries in his own riding as a result of the tariff, and I do not believe the employees in those industries would care to hear him laugh about their employment. I say the tariff has produced and does produce jobs. I am quite well aware that there is exploitation—

Some hon. MEMBERS: Hear, hear.

Mr. MacNICOL: —but not necessarily as a result of the tariff. I will give a few instances of exploitation that had nothing whatever to do with any fiscal policy. I have on my desk before me a magazine that records a number of instances of exploitation. I am opposed to price exploitation; I will support any government measure that will prevent it and will see to the punishment of those proven to be exploiters and profiteers. This article, it would appear, refers to instances in the United States. I do not know whether we have had similar instances in Canada, though I do not believe so; I do not think Canadians would do that sort of thing, and I do not cast any reflections on our neighbours to the south. But when a company advertises that a container holds a quart when it really holds only a pint and a half, that is wrong; when containers which are said to contain a pound weigh only fifteen ounces, that is wrong. We all know of the case of the five dollar razor that was protected by patents. When the patents expired German razors were sold in the United States, duplicates of the five dollar razors, for twenty-five cents. Something may be wrong with the patent laws not only across the line but in Canada as well, if such conditions exist; but at any rate I call that exploitation. Then we have the case of a person going to buy an automobile. He is offered $400 for his old car if he purchases one make of automobile or $800 if he wishes to purchase a higher priced car. I think something is wrong there, because the old car could not in these circumstances increase in value by $400. But the tariff has nothing to do with exploitation of that kind.

Some hon. MEMBERS: Oh, oh.

Mr. MacNICOL: If there is exploitation, however, the government can regulate it or prevent it by passing laws, and such laws are not new. In the reign of Edward III the great fishmongers of Billingsgate market threatened to exploit the small fishmongers, and the government of that day, some six hundred years ago, enacted legislation which prevented the great fishmongers from making more than one penny on a shilling's worth of fish. Again, in the reign of Queen Anne, similar laws were enacted to protect the consumers against exploitation. In 1930 the consumers' council bill was introduced in the British house, the fifth clause of which provided that where it was reported to the board of trade that an excessive price was being or was likely to be charged for any commodity, the board of trade might take action. Later that bill was incorporated in the British agriculture bill, and I believe some of the clauses of our marketing act are patterned after the clauses of the British agriculture bill.

The point I make, Mr. Speaker, is that exploitation can and should be prevented by law, but that the true principle of the tariff is not to blame for many cases of exploitation that have occurred. Every hon. member knows that to-day most every nation in the world, great or small, has a tariff. Even the dependencies of the nations have tariffs. Some of these tariffs may be higher and some may be lower than the Canadian tariff; it is not necessary to go into detail. In the face of that situation, however, what is Canada to do? Should she let down her tariff walls, as hon. gentlemen opposite did in 1922, 1923 and 1924? I was in business during those years and I remember the delegations from boards of trade, chambers of commerce and manufacturers from all over Canada that came to Ottawa to protest against the freer trade policy of the late government. I remember it was reported that forty-six per cent of the total capacity of the woollen mills of Canada closed their doors up to 1924, and I know that on September 4 of that year a great delegation attended what was then called an employment conference but what would be called to-day an unemployment conference, held in this city. Facts and figures were submitted to the conference showing that 1,351 industries of one kind and another, large and small, had closed their doors as a result of the freer trade policy of the late government. Every hon. member knows that up to 1923 and 1924 approximately 350,000 Canadians were thrown out of work in Canada and compelled to migrate to the great republic to the south.

Hon. members opposite also know very well that we could not maintain the Canadian standard of living against competition brought about by freer trade, that the standard of living in Canada would have to go down to the standard of living of lower wage countries. In this connection I should like to read from the speech made by the right hon. leader of the opposition (Mr. Mackenzie King) on April 29, 1931, as it appears on page 1115 of Hansard for that year. The right hon. gentleman was making an address in connection with unemployment insurance, and just here I may say that I am in favour of a system of contributory, compulsory unemployment insurance. I should like to read this statement, because it is a good exposition of the views held by the right hon. gentleman in that connection. He said:

> But there is a law which applies in industrial relations as it does in other fields, whereby if competing standards differ, the lower standard in the course of time, tends to drive out the higher. That law was first enunciated by Gresham with respect to the precious metals. Gresham pointed out that where two metals were in circulation, the one base and the other pure, the baser metal tended to drive the purer metal out of circulation. That same law, I believe, is applicable to competing standards in industry. Where you have high standards of industry in one province, with lower standards in another province, the lower standards, if permitted to compete with the higher standards, will drive the higher standards out of existence and in time bring industrial standards to the level of the lower.
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> For that reason it becomes necessary in a country such as ours to devise some means whereby the standards of industry as between the different provinces may be brought to and kept at the same level. I doubt if that is possible in any other way than by some system of federal cooperation or control. But the problem is more far reaching than that. What I have said with regard to industries in the different provinces is equally true of industry as between different countries.

I ask hon. members opposite how they would maintain the standard of living in Canada against the standard of living of, we will say, Russia, Japan, or some other competing nation, other than by an adequate tariff policy. In my opinion there is no other way to do it than by the adoption of a tariff policy. This government has given Canada an adequate tariff policy. If hon. members think it worth while, I would ask them to compare the remarks I am making with the last sentence of the remarks of the right hon. leader of the opposition which I have just quoted. Then I would ask them to review the latest figures indicating the wages paid in some of the leading nations of the world. These figures, based on the eight hour day and given in the equivalent of Canadian money, show that in Japan they are paying 76 cents per day; that in Italy they have reduced the wages only recently from 95 cents to 85½ cents per day. In the Netherlands, where large quantities of binder twine are made and offered as the chief competition for our binder twine, they pay $1.18 a day. Last year the Netherlands sold to this country several hundred thousand dollars worth of binder twine. In France the rate is $1.36 per day; in Prussia or Germany $1.46; in England $2.28—all these against the average in Canada of $3.42. How can we compete? How can Canadian labour compete—and it is on behalf of Canadian labour that I raise my voice, and which I will defend on every opportunity which presents itself. How can the Canadian worker drawing wages averaging $3.42 compete with the twine worker in the Netherlands drawing $1.18? Apart altogether from binder twine, can the Canadian worker compete in any other way without protection—and I am not by any means in accord with placing a duty on binder twine. On the other hand I am in sympathy with giving the agriculturist every possible opportunity to produce his product at the cheapest possible price, and to sell it in the dearest market he can find. Statistics show that Russian wages to-day approximate 25 cents per day. The Canadian worker cannot compete against that kind of competition, and I know of no other means by which he may be allowed to operate unless through the use of tariffs.

As the time at my disposal is passing rapidly I shall not take time to submit data and figures to show that business in Canada is getting better. That fact has been admitted from every corner of the house. During the recess I visited twenty-five or thirty towns and cities in Ontario, in addition to travelling extensively in the United States, looking into industrial and labour problems. I visited some sixty to seventy Canadian factories in Canada, talked to managers, foremen and workmen. I know from personal observation that business in Canada is improving. I was glad to find that out. I am pleased to know that every day more and more men are being employed in industry, and I only hope that the improvement continues.

Among other branches of industry I visited were those associated with construction. I must admit frankly that factories engaged in the manufacture of metals, glass, hardware and the allied lines of the construction industry have not improved as rapidly as have many other industries. But they are coming around, which means that construction in Canada is increasing. A person could have

a fair understanding of the amount of construction going on in Canada in comparison with what is in progress in the great republic to the south if he were to visit Philadelphia, which has a population of about 3,000,000. If he were to visit the suburbs of that great city, as I have done, and look into the amount of building going on over there and then return to the great city, one riding of which I have the honour to represent, he would see, as I have seen, that in the suburbs of Toronto there is more construction going on than there appears to be in Philadelphia, a city five times as large. It would do anyone good to visit the northerly limits of the city of Toronto, where there is really a considerable amount of building in progress.

If the government are going to adopt a building program I would say that the sooner they commence the better. I certainly am not in accord with the erection of buildings having no commercial value and which do not effect a saving to the government. With this point in mind, during the recess I visited many Canadian towns and cities and made exhaustive inquiries into matters affecting building construction. For example may I instance the city of Hamilton? I say that Hamilton is entitled to a federal building because at the present time the government has to rent considerable space. In my view a federal building in Hamilton could be erected economically, because it would yield a return in rent saved. All hon. members who have visited Toronto know that on Front street a customs house has been built, but not completed. If the government were to finish the customs house in Toronto the rent saved would in time pay for the work. That kind of construction work is eminently sound, and I am in accord with it. So I would say to the government that at the earliest possible moment they should back up the efforts of the private constructors. So far as I can ascertain there is at the present time building contemplated to the value of $100,000,000. A building program to that extent would mean the employment of 125,000 men working in the quarries, the lumber woods, in the other primary industries connected with building, and would furnish work to the finishers, the artisans who are very anxious to have employment. I endorse heartily the proposal of the government to speed up construction of buildings and particularly those which in due time would pay for themselves.

As I said a moment ago I visited about sixty to seventy factories during the recess. I made a survey of the men engaged in those industries, men who in many instances were

turning out new materials which had never before been manufactured in Canada, materials demanded by Canadians. Capital was invested in those industries because the tariffs of Canada had kept competing materials out of the country. My compilation showed that 10,000 men and women workers are to-day engaged in making brand new material which has never before been manufactured in this country. These workers are in addition to the 400,000 or 500,000 men and women engaged either full or part time in Canadian factories. Some people will say that 10,000 workers do not indicate a great deal of industry, but if one takes the census returns of 1931 he will find that Brockville, Kingston, Belleville, Peterborough, Woodstock, Paris, St. Thomas and Owen Sound combined have only 10,000 industrial workers in their factories, and I will say that any community or province in Canada would be more than pleased to have in their midst a new city with 10,000 workers and with a purchasing power equivalent to that of all the industrial workers in the cities I have just mentioned. And that means more consumers for our agricultural producers in the province of Ontario.

Following the war most countries sought means whereby they could increase their industrial activities. Most of them followed the plan adopted by Germany in 1881. At that time Germany established an industrial council and other European nations followed suit. To-day twenty-two nations have departments of industry, either separate or associated with other departments of government. I would have moved a motion recommending that this government consider the question of organizing a department of industry in this country but I was afraid that industry itself would think there might be government interference. Up to the present I have refrained from recommending anything of that nature, but I am convinced that the time has come when the government could the greater assist the industry of this country without busybody interference. What were the objectives of the German industrial advisory board, the department of industry of France and the departments of industry of Norway, Belgium, Italy, Czechoslovakia, Ireland and China? First, they were organized to provide more jobs; second, to make all jobs more permanent; third, to provide a safer investment for capital; fourth, to provide minimum wage laws for those engaged in industry and compensatory measures where injuries occurred; fifth, to introduce compulsory and contributory unemployment insurance and, lastly, to create a national buying spirit.

Last summer I made a tour of the mines in northern Ontario. I associated with the managers and foremen of mines. One of the things which struck me was the large number of steel drills piled up in the yards of various mines. Upon inquiry I ascertained that up to the advent of this government the mines of northern Ontario imported from New York state seventy-five carloads of steel drills per year. The manager of one of the large mines was impressed with the buy in Canada spirit—in my humble opinion it is patriotic to prefer goods made by Canadians—and he conceived the idea of holding a meeting of mine managers. It was ascertained that not only did the mines of northern Ontario use seventy-five carloads of steel drills but the rest of the mines in Canada used an additional seventy-five carloads, a total of one hundred and fifty carloads per year. I was told that representatives of the steel industry were invited to confer and the result was that to-day a steel plant in an Ontario city is shipping throughout Canada each year one hundred and fifty carloads of steel drills. This industry gives employment to 150 men. That is a real patriotic spirit. If architects, builders and buyers throughout Canada were imbued with the patriotic spirit to buy Canada made goods, I am satisfied that within a reasonable number of years a quarter of a million more men would be placed at work in this country.

Prior to the imperial conference a deputation of British industrialists came to Canada to confer with Canadian manufacturers. They bargained on what could be manufactured economically in Canada and what British industry could ship to this country. They bargained together, which is not a new thing. Some time ago I read a speech of the Right Honourable Benjamin Disraeli quoted in the Edinburgh Blackwood's Magazine of 1866, at page 369. It appears that in 1844 and 1845 the then Tory Prime Minister of Great Britain was inaugurating a policy of free trade between Great Britain and other countries. His Tory followers were surprised and the common statement at that time was, whither will he lead us. Lord Beaconsfield, then Mr. Benjamin Disraeli, made a speech in which he said in effect:

> Not that they were opposed to free trade, so long as it should rest upon sound principle. What they did object to was that, without any attempt to arrange with foreign countries a system of reciprocal intercourse, duties on imports and exports were lessened or repealed which had hitherto supplied the state with an adequate revenue, while at the same time they protected native industry. The party argued thus: Make, by commercial treaties, any arrangements which you consider to be advantageous to the common weal. We will go with you in opening British ports to French silks and French wines, provided France will act in the same liberal spirit towards British cotton goods. We will admit into the home market, at reduced rates, the corn, hemp and tallow of the northern powers, provided they will reduce, in equal proportion, the duties which they now levy on our cutlery and hardware; but don't let us throw away what we possess without getting anything back in exchange, which we shall certainly do if we allow all the nations of the earth to glut our market with their products while they shut our products out of their market by taxing them heavily.

We had an experience similar to that in 1922 and 1923 under the administration of the late government. Our markets were opened to the manufacturers of the world, through low tariffs, while markets of the world were closed to ours. After twenty-five years spent in industry I am satisfied that the state of industry in Canada when the depression came upon us was due to our trade being depressed by the products of labour in foreign countries. The industry of Canada was unable to meet the depression as it otherwise would have done. This government has been eminently wise in taking the course it has in connection with its tariff policy and ensuring the buying by Canadians of goods manufactured in Canada by Canadian workmen.

I should like to say a word about government costs, because the Minister of Finance pointed out that these costs were being cut down. In my humble opinion industry is afflicted to an abnormal extent with one kind of tax or another. This government has made a splendid start in cutting down the cost of government, but we can go much further when we consider that we have in this country nine legislatures, a legislative council, a House of Commons and a Senate; approximately one thousand legislators and seventy-five ministers. There is no doubt that the people of Canada are overgoverned, and that the cost of government can be cut down. From 1904 to 1931 the costs of government in this country increased 666 per cent while the population increased only 78 per cent. I congratulate the government on what it has done, but I hope it will go further. Every hon. member has heard of the government costs of the state of South Dakota. In 1932 a new governor was elected and I have before me his inaugural address. I am happy to be able to say that he accomplished much of what he set out to do. He set out to wipe out state banking, state insurance, state bonding, the state railway commission, state operation of mines, state ownership of farms taken over on foreclosures, state duplication

of municipal duties, state duplication of federal duties and state operation of cement and other plants. Governor Tom Berry deserves the support of his state for the attempt he has made to cut down government costs. As one who has been associated with industry for many years, I say emphatically that industry in Canada is crying aloud to this government and every government in the country to cut down the costs which to-day are being inflicted upon it, thus retarding employment to a certain extent. We can do something more along that line.

Many hon. members have no doubt read of the great metallurgical and chemical plant which the Russians are erecting at Magnetogorsk, on the Ural river, occupying about twenty square miles and with a capacity, when it is finally in operation, of four million tons of steel a year. Picture what will happen to the steel trade of the world when that plant goes into full operation. Why, in our palmiest days Canada imported only 150 thousand tons of steel a year. Canada as well as other countries must plan and make every effort to protect themselves against having their markets flooded by goods produced by cheaper labour in other countries. I have no criticism to offer with respect to the wages paid in Russia and the standard of living that prevails there. That is the business of the Russian people, and if they are satisfied with their conditions nothing that we could do, in any event, would alter that. And the same applies to Japan; I do not criticize what they do. Their standard of living and their wages suit them. But I do say that we can protect ourselves against the products of their factories, and we can do so in no way that I know of other than by an adequate tariff. We cannot afford to leave Canadian workmen and factories unprotected against the products of other countries where there is cheap labour. We must have an adequate tariff.

I made an extensive inquiry into labour conditions and industry in Europe and Great Britain, and while there I looked into plant areas and studied the question of plant concentration. I found great industrial areas in Sheffield and Birmingham, but the greatest industrial area in the world in my opinion is Trafford park in Manchester. I made an investigation of plant areas at Halifax, Saint John, Quebec City, Three Rivers and Montreal. All of them have magnificent areas; and along the St. Lawrence river, when the St. Lawrence waterway is completed, we shall have one of the greatest waterways in the world, developing illimitable power. There we shall have one hundred miles of plant sites equal to the best plant areas anywhere. We have great areas at Vancouver. We have great areas at Winnipeg, at Port Arthur, at Fort William, at Windsor and along the Welland canal. I was happy to learn, while making an investigation of the steel industry in the United States last summer, after this house had risen, the opinion held by one important manufacturer there. He said to me, "Mr. MacNicol, had it not been for the depression this company might have erected along the Welland canal a great steel plant." We have also that magnificent plant area in Toronto which is being exceedingly well developed by the Toronto Industrial Commission. Even during these times of depression, since 1929, under the efficient management of Mr. Keenleyside the Toronto Industrial Commission has brought into that area 115 plants large and small, giving employment to 2,500 men, with an investment of $5,000,000, and occupying 1,250,000 feet of floor space.

I am convinced that if the governments of Canada, federal and provincial, having control over industrial expansion, could organize a department which would work as efficiently—and I see no reason why they should not—as the two great railway industrial departments and other industrial departments have, it would have a very beneficial effect on bringing industry to this country, and such new industry in Canada would provide a good deal of employment for Canadians.

I congratulate the government on what they have done, considering the world depression through which we have been passing, and I say this not only as a former industrialist but for labour as well; for I take second place to no man in this country in my feeling for labour. I say to the government: You have done wonderfully well and you deserve credit, for the employment which you have provided for Canadians, many thousands of men in various industries in this country, as a result of making it possible for much new manufacturing to take place in Canada. I say to them, "Keep on going straight down the road you have been travelling. Be not deterred from your objective, let the chips fall where they may, and in spite of any criticism that may be hurled at you either in this house or outside." I have not the slightest fear regarding the attitude of the people of Canada. They recognize in this government, in the leader and his cabinet, a group of earnest men who have done their best for this country in the severest depression that has ever been experienced not only in Canada but in the world. They have toiled for this country at

the sacrifice of their health and I am satisfied that when the bell rings for the general election the people of Canada will rise up and return the Prime Minister at the head of his government to continue as he has been doing.

Mr. A. E. MacLEAN (Prince): We are always delighted to hear our good friend from Toronto (Mr. MacNicol) he is always interesting and lucid in his exposition of the tariff policy of this government. But tonight I must congratulate him on his great faith, a faith which is beyond my comprehension, when he suggests that the policy which this government has followed for the past four years will carry hon. gentlemen opposite into the treasury benches after the next election. Time will show how accurate my hon. friend is in that prophecy. I can well understand why he always makes such a plea for the manufacturer and the worker. He comes from an industrial city; his constituency is made up of industrial workers, and it is not to be wondered at that he does his best to put up a plea for them. I am sorry however that the hon. gentleman can see only one side of the question. We on this side of the house see the industrial side, but there is another great class in Canada who must receive some consideration, and that is the consumers and the public at large.

My hon. friend, when I came in, was telling this house that what Canada needed was an adequate tariff. It seems to me that what this government has given the country is a little more than an adequate tariff, for we have the highest tariff that we have ever had. He has also told us what the government has done for industry. Well, the best years that industry in Canada has ever experienced was during the regime of the last government, from 1921 to 1930, when the manufacturers sold more manufactured goods, when our export trade in manufactures was much larger, than at any time in the history of the dominion. And it was not a high tariff that did it but a moderate tariff which provided the country with a revenue so that we were able to pay our way and have a surplus on the right side of the ledger.

I regret the absence of the Minister of Finance (Mr. Rhodes) from the house tonight and also the very sad reason therefor. The annual budget is always looked forward to with a great deal of interest. It is supposed to give not only a review of the financial situation of the past year but a glimpse into the future, an outline of the policies which the government intends to follow and also some lead as to our export and import trade. But in this budget speech and in the speeches of hon. members opposite who have spoken in large numbers we have heard nothing regarding our export trade and how they intend to extend it. In the budget there is not one word which suggests that any effort has been made in the past year to secure any new treaties with foreign countries or even to try to put through a reciprocal trade agreement with our friends to the south. Recently we saw that our United States friends were quite willing to introduce legislation looking toward reciprocal trade, and I believe the present is the most opportune time in the history of Canada to make a move in that direction.

We might look for a few moments at the records of the two governments. My hon. friend who has just sat down (Mr. MacNicol) has been a stout defender of his party, and I want to be just as stout a defender of the policies in which Liberal members on this side believe. All we have to do is to review the records of the two parties. No one will deny that under the King administration we had seven years of progress, splendid surpluses and increased trade, but under the regime of our hon. friends opposite, notwithstanding all their promises in 1930, we have had four years of almost famine. It has not yet reached the seven year period, but if our hon. friends remain in office I am afraid that it will run that long. Did the Conservative party give the former Liberal government any credit for the splendid showing they made during their term of office? Not on your life. I remember when sitting on the other side of the house hearing hon. members, then on this side, day in and day out, condemn the former government from every angle—we were spending too much money; we were not showing sufficient surpluses; we were not reducing the public debt fast enough; we were not reducing interest charges sufficiently. Talk about prejudicing the minds of the people! If any persons worked harder than did our hon. friends opposite to prejudice the minds of the people during the Liberal term of office, I would be glad to know it. The present Prime Minister (Mr. Bennett) used to tell the house how he would handle the finances of the country. He would provide a sinking fund that would eventually wipe out the national debt; he would reduce interest charges. The right hon. gentleman has had his opportunity; he was elected prime minister in 1930; he was not only prime minister but, for two years of that period, minister of

finance, and he had every opportunity to put into operation the great ideas he had when he was on this side of the house.

But what do we find? The right hon. gentleman, far from moving along the lines he suggested in the house, has never made any effort at all to take care of the financial situation; no sinking fund has been established; deficits have been shown every year. Under the Liberal regime we had seven surpluses amounting in all to $276,000,000, while our hon. friends opposite in four years have added to the funded public debt no less than $594,000,000.

Someone may ask: What about the railway debt? Well, what about it? In the seven year period of the Liberal regime the national railways had a deficit of $93,000,000, and even if you take that from the $276,000,000, you have still $183,000,000 of a surplus to go towards reducing the public debt. But even if you disregard that altogether you will find that the public debt has been reduced by a much larger amount than that. When the hon. member for Shelburne-Yarmouth (Mr. Ralston) was speaking the other day he pointed out that during the Liberal regime current deficits on the national railways were paid out of current revenues and not charged to the public debt. Our hon. friends opposite should take note of this because it is a fact worthy of a great deal of consideration. Under the Conservative government from 1919 to 1921, the average deficit on the Canadian National was $22,000,000 per annum. From 1922 to 1930 the average surplus for interest payment due to the public was $24,000,000 per annum. The deficits began again when our hon. friends opposite came into power. As I pointed out, one has only to look at page 3 of the public accounts to find that the debt increase from 1930 to 1934 totalled, as I said before, $594,000,000, while increases in interest charges on the public debt, including this year's deficit, have reached $25,000,000. If you include the deficit this year of $135,200,000. you find that the total interest charge we have to pay in this country is around $145,000,000. When one considers that in 1875 the total debt of the dominion was only $150,000,000, one can see in a minute whither we are drifting.

Coming to the question of interest charges we find that in 1930 the interest charge was around $121,000,000, but in 1933 it had increased to over $139,000,000, an increase of more than $18,000,000 in those three years, while under the Liberal regime interest charges were reduced $4,694,000. As I said before, if we include this year's deficit of $135,200,000 we have now an interest charge of around $145,000,000 per annum.

[Mr. MacLean.]

I noticed that some newspapers commenting on the speech of the hon. member for Shelburne-Yarmouth stated that the average deficit of the Canadian National Railways for the last eleven years was $25,000,000. Why do they take the eleven year period? I think it is only fair for each government to stand on its own feet and each one to account for its own deficits or surpluses. If you take the eleven year period you will find from page 19 of the annual report of the Canadian National Railways that the average Canadian National deficit from 1923 to 1929, after deducting the one surplus, was $9,500,000 annually. But the average deficit for the past four years under this government was not $9,500,000 but $58,000,000 annually. That shows the difference in the management under the two parties. Our hon. friends opposite will say: "Oh, that was due to the depression." I think if we want to go into the matter we shall find that the great cause of the falling off of the earning powers of the Canadian National and the Canadian Pacific was the fact that this government put on a high tariff that stopped imports. The minute they stopped imports, the transportation systems had nothing to move, the result being that falling off continued right along the line and not only the transportation systems but everything else suffered in proportion.

The Minister of Finance in presenting the budget said that he would have a surplus next year of $8,000,000. I hardly think that is a fair statement to make to the house, because there are a great many things that have not been taken into account. We are told that a bill will be introduced this year providing for the spending of perhaps $50,000,000 on public works. Will these be chargeable to next year's account? If so, what becomes of the estimated surplus of $8,000,000? But it is not only that; there are a great many other items that have not been taken into account. The marketing bill that is now before the house is going to cost quite a few millions to operate if it is operated in the way our friends think it will be. Then there is the cost of restoring the civil service salaries—another large amount. I venture to say that when these items I have mentioned are taken into account instead of having a surplus of eight millions, the balance will be fifty to seventy-five millions on the other side of the ledger. So I say it is unfair to the public for the minister to say: "We are going to balance our budget and have $8,000,000 on the right side," when they knowingly leave out such large items.

The same thing happened when the estimates were brought down this year. Headlines appeared in the press all across the continent: "Seventeen millions saved in the estimates." I venture to say that before this house rises supplementary estimates will be brought down that will more than wipe out this seventeen millions. I say again that it is absolutely unfair to treat the public in this way. Our friends opposite should give them the real facts.

When hon. gentlemen opposite were on this side they were continuously telling the house and the public that we were spending too much, that the government was extravagant; that we were proceeding with extensive public works, building railways, erecting buildings, expanding in every way. I remember a small vote I wanted for my county, and the present Minister of Justice was good enough to move that the vote of $11,000 be reduced to $1. That was their idea of economy at that time—they were going to show us how to economize if they got on the treasury benches. Well, here are their expenditures since they have been in power. There was only one year in the ten that the Liberals were in power in which the expenditure exceeded $400,000,000. It ran along from $370,000,000, to $381,000,000, $351,000,000, $355,000,000, $358,000,000, $378,000,000, $388,000,000 and $398,000,000. But look at what happened after our friends got into power. In 1931, according to the budget speech delivered the other day, the expenditure was not $398,000,000 as under the Liberals, but $440,000,000 for the first year that hon. gentlemen opposite were in power. The next near, 1932, it was $448,000,000. In 1933 it was $531,000,000 and in 1934 $459,000,000. There is the difference in the expenditure under the two administrations. I do not know how it is in other parts of Canada, but I can say positively that there have been practically no new public works built in the maritime provinces since this government came into power; and the old works have not been maintained as they should be and some are falling into decay. Still our hon. friends have a record of spending from fifty to seventy-five millions yearly more than we spent, and they have nothing to show for it.

Mr. MANION: What about the millions spent at Saint John, for example?

Mr. MacLEAN: Our friends talk about the tariff situation. Through the kindness of the Prime Minister we had the pleasure recently of hearing the Postmaster General of Australia speak in the restaurant. He said:

> It is insensate nationalism, abnormally high tariffs and disorderly marketing methods which, more than anything else, are responsible for delay in the rehabilitation of all nations.

That is not merely the personal opinion of Hon. Mr. Parkhill. Take the reports of the bank presidents at the annual meetings of the banks, until a few years ago nearly every one of them was a high tariff man. I do not think that back in 1928 or 1929 you could find a bank president who was not a high tariff man; at any rate there were very few of them. To-day you cannot find one who will say that an abnormally high tariff such as we have had under this administration has been beneficial to this country. Our total trade dropped from $2,393,000,000 in 1930 to $886,000,000, a decline of no less than $1,507,000,000 since this government came into power.

Then our friends were going to find us new markets, but they have not made much progress in that direction. We have a committee sitting in this house looking into this question from every angle but the right one. What Canada needs is world trade. As was shown by the hon. member for Yorkton (Mr. McPhee) a few days ago, no less than twenty-nine countries have put up their tariffs against Canada since this government came into power. Our hon. friends say, "Oh, the King government was in power for so many years and they did nothing to prevent other countries from raising their tariffs." I heard an hon. gentleman on the other side make that statement the other day. Well, I will tell you one thing the King government did not do; they did not make pilgrimages around the world endeavouring to get other countries to adopt a high tariff policy. We had free entry to Great Britain for our foodstuffs and for everything, from the beginning. My hon. friend who just spoke (Mr. MacNicol) told us about the industries of Manchester, England. What made Great Britain the greatest manufacturing country in the world? Was it her high tariff policy? Not on your life; it was the free trade policy which she followed. Her ships went out on the seven seas and brought in the raw material which was manufactured by her workmen, and she built up the greatest trade and became the greatest nation in the world through that policy. But the Prime Minister of this country made a pilgrimage to Great Britain and endeavoured to persuade that country to put up a tariff against the rest of the world in order that we might obtain a preference there. If the Prime Minister was the means of getting Great Britain to adopt that policy, did he do this country a service or a disservice? I claim

that if he was responsible for it he did this country a disservice, because we find that Great Britain has practically served notice on us now that some changes will be made in those preferences, even with the agreements we hear so much about from our friends opposite. We had splendid trade facilities with Great Britain, and I do not think there is any doubt that they would have been continued. We never had a written agreement with the mother country until this government compelled Great Britain to put down in writing what we could and what we could not ship there, and when those agreements run out I think Canada had better watch out or she will find herself shut out from the British market in respect of some of her products.

One of the measures on which hon. gentlemen opposite are staking their reputation is the marketing bill. I think the fact that to-day there were tabled no less than eighteen or twenty amendments to that bill proves that the opposition offered from this side of the house and throughout the country was well founded, because, as I said the other day, if we get a bill that is half workable it will be because the weaknesses of the present bill have been shown up. When you consider that there are only twenty-one clauses in the whole bill and that eighteen or nineteen of those clauses have to be amended I think you will realize in what shape that bill was when it was brought into the house.

Hon. gentlemen opposite have not much to say about the butter question, but I have a great deal of information here with regard to the leakage of butter brought into the maritime provinces. That butter is said to have been released and to have done a great deal of harm to the dairy industry in that part of the country. This is the last thing in the world you would expect under this government, because we all remember what they were going to do for the dairy farmers, how they were going to put them on easy street when they got into power, by shutting out New Zealand butter. Butter to-day is 19 cents. New Zealand butter has been coming in under this government; it is still coming in, and I am afraid that these complaints of leakages are only too well founded.

Hon. gentlemen opposite promised a great many things; very few of those promises have been fulfilled but they took many steps that were not promised at all. When we take the tariff increases into account we find that the government have brought about the largest tax increases that have been put on by any government. We had the sales tax increased from one per cent to six per cent; the excise tax increased from one per cent to three per cent, and increases in the income tax, the corporation tax and so on, with new taxes imposed on telegrams, long distance calls, pullman car tickets and sugar, and the gold tax imposed just the other day. That does not take into account the tremendous tariff increases put into force by hon. gentlemen opposite, which I see they now admit constitute a direct tax. No, they did not promise these things, but they brought them about. I think if they had fulfilled some of the promises they made in 1930 and left undone some of the things they have done, this country would be in much better condition to-day. The situation is very well summed up in a small quotation from the New Era of Sydney, Australia, which says:

> When someone stops buying, someone stops selling. When someone stops selling, someone stops making. When some one stops making, someone stops working. When someone stops working, someone stops earning. When someone stops earning, someone stops buying.

That is just what this government have done. They have stopped buying from abroad, and when they stopped that we stopped selling. When we stopped selling our factories stopped making, and when they stopped making their employees stopped earning. Then, when the employees stopped earning, everyone stopped buying. That is the situation in a nutshell, and that has been brought about by the policies of this government. I claim that the policy of protection has stagnated trade, crippled business, increased unemployment, ruined our transportation systems, handicapped agriculture, reduced our revenue and brought our country to the verge of bankruptcy. It has increased taxation to an extent hitherto unknown, and all this in the face of promises to reduce taxation, cure unemployment, build up agriculture, find markets, pay old age pensions one hundred per cent and reduce the national debt. Those are some of the promises made by hon. gentlemen opposite which they have not been able to carry out.

The budget speech would lead one to believe that many tariff reductions have been brought about, but I am sorry that these reductions are so few in number. I notice that there is a reduction in the tax on beer, wine and champagne. So far as our province is concerned that does not interest us, because ours is a prohibition province. We do not use liquor, and even if we did want to use it we would not have the money with which to buy it.

One matter to which I should like to refer is the tax on sugar. On February 13, 1934, there was a meeting of bakers and candy manufacturers in the city of Toronto, and some startling information was brought out at that meeting. I believe I should put this on record in order to show the increase in duty on this one commodity. These organizations whose names all appear in this statement, state that at the time the meeting was held they could buy one hundred pounds of refined sugar in Cuba for $1.50. The duty amounted to $1.89; the duty on the bag was 4 cents, and there was a dumping duty of 75 cents, bringing the total up to $4.18. Then there was a three per cent special excise tax, which amounted to twelve cents, and the tax of two cents per pound, which make a total of $6.30, including 30 cents freight. So we find that of the total of $6.30 paid for one hundred pounds of sugar, the government took $4.80 in taxes. I say, Mr. Speaker, that there is something seriously wrong with any system that allows any government, whether it be Conservative, Liberal or Progressive, to take $4.80 in taxes out of a total of $6.30, in connection with an article of food that is used every day by both rich and poor. I think that situation should be brought to the attention of the public. I am glad the government reduced the tax by one cent, but in the circumstances I think the tax should have been entirely wiped out. There are other ways of raising revenue without resorting to the taxation of articles of food which are necessities of life.

The other night the hon. member for Queens (Mr. Myers) whose pleasing countenance I see across the chamber, told us that the duty on fertilizer did not affect the farmers of this country, and that in fact no fertilizer was brought in on which a duty was paid. I took the trouble of obtaining from the bureau of statistics figures showing the importations of fertilizer, and I find that in the last three years over 16,000 hundredweight of fertilizer were imported. On that amount a duty of $65,880 was paid. That is a snug little sum. And I believe that is not all, because in a circular I have found that since that time a large amount of fertilizer which was not included in the statement I have mentioned, and on which a rate of ten per cent was paid, was brought in. So when hon. members opposite state that the duty does not increase the cost of the article to the consumer, despite the fact that $65,000 is paid in duty, I think we have good indication that duty is being paid and that thereby the cost of the article is increased.

I notice press dispatches indicate that a permanent highway is to be built through the province of Prince Edward Island. That is a very commendable project, and if the government gives assistance to Prince Edward Island we will welcome it. I understand that if the highway is built it will be built out of the unemployment grant, and undoubtedly the province will have to pay its fifty per cent.

There is just one other point to which I should like to draw attention, and that is that in the past four years we in the province of Prince Edward Island have been left out of the picture. In Ontario no less than $25,000,000 have been expended on the trans-Canada highway, to say nothing of the expenditures in the other provinces. Large expenditures were made in the last two years in Nova Scotia, and it would seem that Prince Edward Island has been left out of consideration when the moneys were being handed around. Someone will say that it is because we had no unemployment down there. Well, Mr. Speaker, I wish to state that we did have considerable unemployment. There is this to be said about our people, however, that they will put up with a great deal, and that they are mostly able to get three meals a day in some kind of way. We did have unemployment, and could very well have used a considerable amount of the unemployment money in the building of a highway which by this time could have been completed. I believe the press behind the Prime Minister stated during the last election campaign—and I am glad to see him coming into the chamber, because he can correct me if I am wrong—that it was the policy of the Conservative party to establish a national highway system, which would mean that all the roads in Prince Edward Island would be taken over and maintained by the federal government, thereby reducing taxation in the province. Then, prior to the provincial election the late premier, Mr. Stewart, visited Ottawa and upon his return stated to the press that the Prime Minister of Canada would carry out his policy of federal assistance to the highways in Prince Edward Island. All I wish to say is that for the past three years no work has been started. As I have pointed out, the other provinces have benefited to a great extent in the expenditure of relief money, and I am pleased to know that a start is to be made in Prince Edward Island. I hope it will be a good start, and that a good road will be built.

In conclusion may I say that we have been asked to depend on the resourcefulness of our people, and have been told that if we do that, undoubtedly we will pull through the depression. Well, in 1930 hon. members opposite did not want even the resourcefulness of the people; they felt that they themselves were sufficient to put policies into effect which to a great extent would improve conditions. I regret that these improvements have not taken place, and that the reverse is true. I believe that the country is ready for a chance to vote, and the people are asking the government to give them that opportunity. When that time arrives I am convinced that the people will record their vote in favour of the party which during the last ten years they were in power gave to Canada an era of prosperity unequalled in its history.

On motion of Mr. Fraser (Cariboo) the debate was adjourned.

On motion of Mr. Bennett the house adjourned at 10.40 p.m.

Monday, May 14, 1934

The house met at three o'clock.

EVIDENCE OF MR. WALTER M. STEWART

REQUEST BY PRIME MINISTER THAT WITNESS BE RECALLED BY COMMITTEE ON PRICE SPREADS AND MASS BUYING

Right Hon. R. B. BENNETT (Prime Minister): I avail myself of the very first opportunity to speak to this chamber about a matter that affects the privileges of this house.

On Saturday last I had an opportunity of reading with a little care the evidence given by one Walter M. Stewart before the special committee on price spreads and mass buying on the 10th instant, whereupon I wrote a letter to my colleague, the chairman of the committee, in the following terms:

Ottawa, May 12, 1934.

Honourable H. H. Stevens, M.P.,
Chairman,
Special Committee on Price Spreads
and Mass Buying,
Ottawa.

My Dear Colleague:

I have had an opportunity to look through the evidence given by Mr. Walter D. Stewart before the special committee on price spreads and mass buying on the 10th instant.

[Mr. MacLean.]

It appears to me that, while at the end his evidence is somewhat uncertain, nevertheless it is quite clear that he insinuated that the government, or some members thereof, have given advance information to his competitors regarding pending changes in the excise taxes on tobacco and cigarettes. May I ask you to be good enough to have him recalled for the purpose of naming the cabinet ministers whom he desired to examine and giving all information in his possession with respect to his allegations that ministers of the crown have been unfaithful to their trust.

Yours faithfully,

R. B. Bennett.

This afternoon my colleague, the chairman of the committee, who had been engaged with the committee during the morning, handed me a letter which had been received by Mr. Norman Sommerville, K.C., counsel for the committee, dated at Montreal and reading as follows:

P.O. Box 1929, Montreal, Que.,
May 11, 1934.

Norman Sommerville, Esq., K.C.,
Price Spreads and Mass Buying Committee,
House of Commons,
Ottawa, Ont.

Dear Sir:

I told you after my examination yesterday that I was sorry for some of the things I had said. I would have liked to have asked the Minister of Finance, the Minister of Excise and the Montreal minister, Mr. Cahan, if they could tell why other manufacturers had advance information of the changes in excise duty.

I should not have said what I did about buying governments and commissions. I wish to retract it. I was exasperated by what seemed an unwarranted intrusion into my own affairs and somewhat bewildered by unusual surroundings. I ask you to convey my apologies to the committee. I do not wish to impugn the motives or the conduct of any member of the government.

You may read this letter to the committee and make it public if you choose.

The two statements which I said would be sent to the committee are being prepared; they will be finished to-morrow when I shall enclose them.

I am interested in the growers receiving as high prices as possible but the draft agreement you submitted to me is not sufficiently definite to insure fair treatment to all. I have therefore hesitated to sign.

Yours truly,

Walter M. Stewart.

This letter bears date Montreal, Quebec, May 11, 1934. I received it only during the last hour but, notwithstanding the contents of the letter, in view of the reflections upon members of this chamber my request to the chairman of the committee still stands.

PRIVATE BILLS

FIRST READINGS

Bill No. 77, for the relief Aileen Marie Thompson Robb.—Mr. Bell (St. Antoine).

Bill No. 78, for the relief of Doris Jones Earp.—Mr. Bell (St. Antoine).

Bill No. 79, for the relief of Jean Gordon Worden Ellis.—Mr. Jacobs.

Bill No. 80, for the relief of Mary Alice Beatrice Featherston Moxon.—Mr. Jacobs.

Bill No. 81, for the relief of Ethel Irene Probert.—Mr. Bell (St. Antoine).

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

CANADIAN NATIONAL RAILWAYS—OPERATIONS IN QUEBEC

Mr MARCIL:

1. Has the Prime Minister or the Minister of Railways received a resolution adopted by the county council of the county of Bonaventure, concluding as follows:—"That we, the members of this county council for the county of Bonaventure, in regular session at New Carlisle, and representing divers interests in every municipality throughout the county, place ourselves on record as being opposed to the removal from this county and province, of the railway shops at New Carlisle and terminal operations at Matapedia, or anywhere else, the removal of which would be detrimental to our communities, county and province, and do hereby urge the railway management the necessity of reestablishing as soon as possible all works and terminal operations that have been removed?

2. If so, what answer has been given to this request, if any?

Mr MANION:

1. Resolution in question received by Minister of Railways and Canals.

2. County council of Bonaventure was advised in reply that matter referred to was one coming entirely under the control of the railway management, and that representations were, in consequence, being brought to the attention of the management.

NATIONAL GALLERY OF CANADA

Mr. ROBERGE:

1. Has the National Gallery of Canada acquired paintings of one Ward C. Pitfield, of Montreal?

2. If so, through whom was this deal negotiated?

3. How much was paid for the said paintings?

Mr. STEWART (Leeds):

1. No.

2 and 3. Answered by No. 1.

QUESTIONS PASSED AS ORDERS FOR FOR RETURNS

UNEMPLOYMENT RELIEF—CONTRIBUTIONS TO PROVINCES

Mr. ROBERGE:

What amount did the federal government contribute during the years 1933, 1934 in the form of direct relief to the following provinces, without the provinces or municipalities being required to contribute: (a) Ontario; (b) Manitoba; (c) Saskatchewan; (d) Alberta; (e) Yukon territory; (f) New Brunswick; (g) Nova Scotia; (h) Prince Edward Island; (i) Quebec?

NICKEL EXPORT STATISTICS

Mr. WOODSWORTH:

1. What are the figures of the volume of export of nickel for March, 1934?

2. Why are these omitted from the monthly returns (E.T.P.B. No. 129, March, 1934) of the Dominion Bureau of Statistics for March?

Mr. STEVENS: Return tabled herewith.

ILOTS NEWPORT RIVER, GASPE, PUBLIC WORKS

Mr. BRASSET:

1. What is the name of each person who supplied stone and lumber in connection with works carried out at Ilots Newport river, county of Gaspe, in 1933, under the direction of Alphonse Boucher, foreman?

2. What quantity of such building materials was supplied by each person, and what amount was paid to each person?

3. What is the name of each person who worked as a day labourer in 1933, at Ilots Newport river, and what is the name of each person who supplied lumber and stone for the said works carried out under the direction of Baptiste Grenier, foreman?

4. What amount was paid to each such person?

MOTIONS FOR PAPERS

EX-JUDGE STUBBS

Mr. BROWN:

For a copy of all letters passing between ex-Judge Stubbs, or anyone writing on his behalf, and the Minister of Justice, or any of the officials of his department, with reference to a pension for the said ex-Judge Stubbs, either before or since his dismissal from the bench.

LA MALBAIE—GRAND FONDS, QUE., MAIL CONTRACT

Mr. CASGRAIN:

For a copy of all correspondence, telegrams and documents exchanged between the Post Office Department at Ottawa, the post office inspector at Quebec and any other persons, with respect to the contract for carrying the mail from La Malbaie to Grand Fonds, in the county of Charlevoix, from January 1, 1934, to date.

VAL D'AMOUR, N.B., POSTMASTER

Mr. MICHAUD:

For a copy of all correspondence, letters, telegrams and orders in council, relating to postmaster at Val d'Amour, Restigouche-Madawaswa county, New Brunswick, between January 1, 1933, and May 1, 1934.

NACMINE, ALTA., POSTMASTERSHIP

Mr. GARLAND (Bow River):

For a copy of all letters, telegrams, memoranda and other documents from September, 1933, to date, in connection with the dismissal of postmaster T. B. Lett, Nacmine, Alberta, and the appointment of Mrs. Molyneux to the position.

TIMBER CUTTING ON INDIAN RESERVES

Mr. IRVINE:

For a copy of all correspondence, letters, telegrams, or other documents exchanged between the dominion government, the Minister of the Interior, or any other minister, or any officer or employee of his department and Mr. C. W. Cox, or C. W. Cox, Limited, regarding timber cut on Indian reserves.

Mr. IRVINE:

For a copy of all timber licences issued authorizing the cutting of timber of all kinds on the following Indian reserves, all of which are in the province of Ontario: Long Lac, Chapleau, and Lac Seul; also the names of all the licensees granted authority to cut timber on the said reservations. Also for returns showing:—

1. The estimates of the total amount of timber made by government cruisers on all reserves, and names of the cruisers and dates of cruises.
2. The amounts bid for all kinds of timber by those who made offers.
3. The amount of timber of all kinds, cut by the authority of present licensees from the date of the issuing of their licences up to the end of April, 1934.
4. The amounts which may be due the government from licensees and the names of such licensees.
5. Lists of other reservations in the dominion on which C. W. Cox, or C. W. Cox, Limited, holds licences to cut timber.
6. Also a copy of contracts, if any, between Mr. C. W. Cox, or C. W. Cox, Limited, and the Canadian National Railway, for railway ties for delivery in Orient Bay, Hudson and Lac Seul districts, with returns showing the prices paid and quantities delivered under such contracts.

Mr. MANION: In regard to No. 6, I merely wish to say that the government has not any copies of these contracts. So far as I am concerned I have no objection to the motion passing subject to our being able to obtain them from the Canadian National Railways.

Mr. SPEAKER: Motion carried subject to the reservation of the Minister of Railways.

[Mr. Casgrain.]

LES EBOULEMENTS, QUE., LIGHTHOUSE KEEPER

Mr. CASGRAIN:

For a copy of all documents, letters, correspondence, and telegrams, exchanged between the Department of Marine at Ottawa and any persons, respecting the resignation of Mr. Charles Tremblay (Georges), as lighthouse keeper at the wharf at Les Eboulements, and the appointment of Mr. Hector Tremblay as his successor, from January 1, 1934, to date.

L'ANSE AUX CANARDS, GASPE, RANGE LIGHT

Mr. BRASSET:

For a copy of all correspondence addressed to the Department of Marine, respecting the range light located at L'Anse aux Canards, county of Gaspe, and the position of such range light keeper, from August 1, 1930, to date.

UNEMPLOYMENT RELIEF—LAKE ST. JOHN-ROBERVAL

Mr. DUGUAY:

For a copy of all telegrams, correspondence, letters, work plans, accounts and other documents exchanged between the federal government, the Minister of Labour, the deputy minister, and all employees of the said department, and the provincial government of Quebec, the Prime Minister of Quebec, the Minister of Public Works of Quebec, the Minister of Labour of Quebec, the deputy minister of such provincial department, and all other employees of the Quebec government, respecting relief works carried out in the county of Lake St. John-Roberval, under the terms of the acts of 1932 and 1933, relating to unemployment relief.

BUSINESS OF THE HOUSE

INSURANCE LEGISLATION

On the orders of the day:

Hon. IAN MACKENZIE (Vancouver Centre): There are two insurance bills before the house. Is it the intention to refer them to the standing committee on banking and commerce or to the committee of the whole?

Right Hon. R. B. BENNETT (Prime Minister): It is not intended to refer them to the banking and commerce committee.

LEGISLATION PENDING

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): Might I ask the Prime Minister again about the legislation for the remainder of the session, in particular the elections act, the program for construction of public works and one particular bill to which he has referred but the nature of which he has not as yet disclosed to the house? I would like to say to my right hon. friend that my purpose in pressing again for this

information is that I believe if we had all the legislation before us, and an assurance that it was all, some arrangement might be come to between the different parts of the house with a view to expediting the work of the session. That I think would be in the interests of all concerned.

Right Hon. R. B. BENNETT (Prime Minister): Resolutions have been sent to the clerk of the house with respect to, first, the public works bill, second, the elections bill, third, the bill providing for arrangements between farmers and their creditors, fourth, the bill amending the Farm Loans Act. There are possibly three others that arise out of the Bank Act and the Bank of Canada Act that I cannot deal with until after they have been disposed of. There are amending sections to the criminal code which we usually bring down as late as possible because, as the right hon. gentleman knows, the Minister of Justice (Mr. Guthrie) is receiving all the time letters making suggestions. My thought is to try to get on the order paper by the end of the week an intimation of the legislation that we propose during this session. But there is a long bill, as perhaps this chamber knows, that has been disposed of by the Senate but not yet sent to this chamber. They have given a tremendous amount of time to it. I should say "another place," one of my colleagues suggests. It has been considered by the other house, it will reach here I think this week, perhaps to-morrow or the next day.

Then there is a bill consolidating the Excise Act, about which I spoke some weeks ago, but which is not being submitted to the house until such time as the resolutions being adopted under the budget are passed, so that the Consolidated Excise Act will not be brought down to-day. I do not think it will be disputatious, because the changes are very few. Perhaps the right hon. gentleman knows that a great many regulations have been issued under the provisions of the Excise Act and it is desirable to adopt the suggestion made the other day—perhaps not for that reason—to embody in that legislation what were regulations, so that the public may be able as far as possible to see them. I may say that the present views of the right hon. gentleman in that regard were not his views at the time the consolidation of the Excise Act last took place, but we all change our views as occasion necessitates, and I think in the case of the Excise Act it is desirable that there should be every intimation to the public.

Beyond that I do not think there will be any legislation, but I shall give the house the fullest information with respect to that by the end of this week.

I am obliged to the right hon. gentleman, and those on this side of the house appreciate to the full his courtesy in suggesting that if the program of legislation is made known it might expedite the business of the house, but I think he will not regard it as unfair if I say that I think some legislation at least might have been hastened a little during the last ten days.

Mr. MACKENZIE (Vancouver): Did I understand the Prime Minister to say that the amendments to the Finance Act, the Dominion Notes Act and the Currency Act will not be introduced to the house until the Bank Act is disposed of?

Mr. BENNETT: I should not have said "disposed of." I did not mean that, I meant finally dealt with by this chamber, for the bill has to proceed to the other house and possibly it might be amended there in a manner that might affect these bills to which the hon. gentleman refers. Otherwise the three bills would have been introduced some time ago, but on looking into it it seems apparent that it is undesirable to waste the time of the chamber until the other bills are before the house and disposed of, I should have said, by this house.

RADIO STATION AT WINDSOR

On the orders of the day:

Hon. W. D. EULER (North Waterloo): Some days ago in my absence the Prime Minister made some objection to answering a portion of a question which I have on the order paper with regard to the issuing of a radio licence in the city of Windsor. I wonder whether the Prime Minister can say now whether I may have a reply to the rest of the question.

Right Hon. R. B. BENNETT (Prime Minister): There is no reason why every question asked by the hon. gentleman should not be answered except such as would mean the disclosure of the business of the commission in a way that a private enterprise would not do, in a way in which the hon. gentleman would not want his business exposed to his competitors or the public. The same principle will be applied in this case, and if the hon. gentleman thinks the answer inadequate we shall see what can be done about his wishes.

DOMINION ELECTIONS ACT

On the orders of the day:

Right Hon. W. L. MACKENZIE KING: (Leader of the Opposition): The Prime Minister was kind enough to say he would send me a draft of the election act.

Right Hon. R. B. BENNETT (Prime Minister): I sent it over Saturday.

Mr. MACKENZIE KING: There was communication with my office, but no document was received.

Mr. BENNETT: My secretary told me it was sent Saturday morning.

Mr. MACKENZIE KING: I shall have another search made, but I have made further inquiry this afternoon and am told nothing has as yet been received.

Mr. BENNETT: I shall at once inquire.

INTERIM SUPPLY BILL

Right Hon. Sir GEORGE PERLEY (Argenteuil): With the consent of the house I move that the house go into committee of supply merely for the purpose of considering some interim supply of which I hope the house will approve. If this motion is carried then I shall make a short statement regarding it.

Motion agreed to and the house went into committee, Mr. Macdonald (Cape Breton) in the chair.

Sir GEORGE PERLEY: I have a resolution here asking for interim supply. The main reasons why we have come to the house at this time are two: the House of Commons estimates, and the seasonal requirements of the various departments. Only one-sixth of the House of Commons estimates have been voted, and that money has been spent on account of the activities of the committees, and further money is required for that purpose, as hon. gentlemen will no doubt readily understand.

Then there are some items of public works which the department is anxious to get on with because this is the time of year when they are able to make the best progress. If there are any items which hon. gentlemen wish to discuss I shall try to give any explanations I can. But they are all brought up owing to the season of the year and the desirability of making as much progress as possible in the spring. Further, I may say that out of these various items there are only six which refer to estimates which have not already been considered and passed by this house in their entirety. Of course the house will retain as usual the right to discuss these items as much as hon. gentlemen wish when they are brought before the house.

There is also schedule B to this resolution which refers to the Canadian National Steamships and the Maritime Freight Rates Act. That was not in the original estimate as printed, and no part of it has yet been voted. All I am asking for to-day is three-twelfths, the same as for the other estimates.

I have taken advantage of this opportunity to include in this resolution another one-twelfth of the main estimates. The reason for that is that the provision already made will expire at the end of this month, and so it seemed desirable to put in this bill another one-twelfth of the main estimates, which would carry us to the end of June, in the hope that before then the house will have prorogued.

Mr. MACKENZIE KING: The right hon. gentleman was kind enough to confer with the ex-Minister of Defence and with myself in regard to this interim supply. I think the house will find that the items are satisfactory, and it is appropriate that they should be passed at this time. There are one or two questions that we shall wish to ask in regard to some of the items, and perhaps they can be taken up as the items are called.

Resolved, that a sum not exceeding $15,036,735.93, being one-twelfth of the amount of each of the several items to be voted by parliament as set forth in the main estimates for the fiscal year ending 31st March, 1935, laid before the House of Commons at the present session of parliament, be granted to His Majesty, on account, for the fiscal year ending the 31st March, 1935.

Mr. MACKENZIE KING: Just one-twelfth covering all the estimates?

Motion agreed to.

Resolved, that a sum not exceeding $2,237,789.69, being one-quarter of the amount for each of the several following items to be voted by parliament, set forth in the main estimates for the fiscal year ending March 31, 1935, laid before the House of Commons at the present session of parliament, be granted to His Majesty, on account, for the fiscal year ending March 31, 1935, namely:

Vote No. 36, for the House of Commons.
Vote No. 44, experimental farms.
Vote No. 67, pensions.
Vote No. 76, non-permanent active militia.
Vote No. 95, Saint John quarantine station.
Vote No. 97, Westmount armoury.

Mr. MACKENZIE KING: I should like to ask a question—

The CHAIRMAN (Mr. MacDonald, Cape Breton South): There are more items.

Mr MACKENZIE KING: If they are called separately, we might pass them one at a time.

The CHAIRMAN (Mr. MacDonald, Cape Breton South): Very well; the first item is Vote No 36, for the House of Commons.

Mr. MACKENZIE KING: This includes an amount for the expenses of committees and clerical assistance. I surmise that this item is largely necessary owing to the activities of the committee on price spreads and mass buying. Could the minister give us the details as to the amount that committee has spent, and what amount will probably be required to complete its work?

Sir GEORGE PERLEY: The amounts paid out in connection with the expenses of committees are as follows:

Price spreads and mass buying	$ 6,126 94
Banking and commerce	2,349 10
Radio	403 10
	$ 8,879 14

The accounts outstanding are as follows:

Mass buying and price spreads—	
Accountants	$14,887 96
Counsel	3,150 00
Witnesses	486 50
Investigators	1,618 59
Banking and Commerce—	
Reporters	174 70
	$ 20,317 75

Mr. MACKENZIE KING: These are the amounts that have been expended up to date and the accounts outstanding. Could the minister give us an estimate of what the government expect will be further required in connection with the expenses of these committees before the conclusion of the session?

Sir GEORGE PERLEY: I am sorry, but I do not consider myself competent to give any such estimate. It depends altogether on how long the committees sit and how many witnesses from outside have to come here, whose expenses have to be paid.

Mr. MACKENZIE KING: Does my right hon. friend expect that the activities of the committees will increase or lessen? The amount either spent or already owing in connection with the price spreads committee totals over $25,000, as I have it here, and I assume that an equal amount, if not more, will be required before the session is concluded.

Sir GEORGE PERLEY: I should think it very unlikely; I hope we are not going to have the committee sitting as many more weeks as they have sat already. If that is the case the house will be sitting for a long time.

Mr. MARCIL: We could not very well hear what was said. Did I understand the minister to say that $25,000 has been expended already by the price spreads committee and that he does not know how much more will be required?

Sir GEORGE PERLEY: That is correct. I have given the figures, and they will appear in Hansard.

Mr. MARCIL: Will any legislation result from this work, or is this money being expended to no purpose?

Sir GEORGE PERLEY: I am sure the hon. gentleman will not think the money has been expended to no purpose, but whether or not legislation will result this session is another question which, so far as I know, has not been considered.

Mr. DONNELLY: Can the minister tell us how many investigators are working throughout the country in connection with price spreads?

Mr. STEVENS: I could not answer that question offhand. Certain individuals have been retained to carry on investigations into details and report to the committee, in order to save the time of the committee and to avoid bringing more witnesses than is absolutely necessary. I may say that the amount of business and the demands made upon the committee have been so enormous that there is no possible hope of covering all the ground. I think that is clear to everyone, whether or not they are members of the committee, but the committee is doing its best to carry out its very heavy task as expeditiously as possible.

Mr. MACKENZIE (Vancouver): May I ask the minister if he anticipates that the deliberations of the committee will be concluded before the end of the present session of parliament?

Mr. STEVENS: Certainly, and a substantial report can be made as to the ground that has been covered, but it is easily seen that many phases of mercantile activity cannot possibly be covered by this committee or by any other body except over a very lengthy period.

Mr. MACKENZIE (Vancouver): Is it the intention of the administration to refer any questions to a royal commission or any other investigating body?

Mr. STEVENS: That question could not be answered by myself without consultation, of course, but I imagine that the report of the committee will contain some recommendation as to what disposition should be made of unfinished business,—shall I call it?

Mr. MARCIL: I should like to ask the Minister of Trade and Commerce whether he has investigators at work with regard to the fisheries question, which was to be referred to this special committee. No witnesses have been heard in that regard, so far as I know, and I should like to ask whether this question is being looked into in the maritime provinces and especially in the province of Quebec.

Mr. STEVENS: A preliminary investigation is now being made in the maritime provinces. I may say that to cover the whole field would be quite impossible, but I hope we will be able to touch a few of the most essential points with regard to that industry.

Mr. MARCIL: Does the minister say he is going to omit Quebec entirely?

Mr. STEVENS: No, it is not so much that. Of course I am not within the rules of the house in discussing the details of the activities of a committee other than to give hon. gentlemen the information they require as fully as I can. To cover the whole ground in connection with fisheries during this session would be physically impossible, but I think we will touch a few of the most essential points.

Mr. VENIOT: A start will be made, at any rate?

Mr. STEVENS: Yes.

Mr. DONNELLY: Can the minister tell us what the counsel fee is?

Mr. STEVENS: I cannot say at the moment, but it is the same as the fee paid in connection with a similar committee previously.

Mr. MACKENZIE KING: May I ask the minister whether part 2 of the marketing bill, which deals with investigations, is intended to relate to the work of this committee, to serve the purpose of carrying on the kind of investigations the committee may wish to have made, or whether that part of the marketing bill is wholly apart from the work of the price spreads committee?

[Mr. Stevens.]

Mr. STEVENS: The provisions of any legislation now before the house did not emanate from any committee; that is clear. It is quite obvious, however, to any student of the situation that there is much in the marketing act, for example, that with intelligent anticipation might be declared to be useful in dealing with problems which may be dealt with by the committee. To what extent, of course, I cannot hazard any expression of opinion at this time.

Mr. MACKENZIE KING: It seemed to me on reading the bill that part 2 was the kind of measure which possibly the minister would have brought in after the report of the committee had been made, in other words, that he was anticipating the report to-day and giving us legislation in advance.

Mr. STEVENS: The right hon. gentleman will note that the marketing bill deals largely with agricultural and natural products.

Mr. MACKENZIE KING: Yes, natural products as defined and investigation into a wide field of operations.

Mr. STEVENS: The price spreads and mass buying committee deals with that, of course, but deals with mercantile business generally, which is much wider in its scope.

Mr. MACKENZIE (Vancouver): May I ask the minister if any private investigations have been conducted in the city of Vancouver, and if so whether or not the minister intends calling witnesses from that city.

Mr. STEVENS: I think it will be unnecessary to call witnesses from Vancouver, other than those who have already appeared. The Retail Merchants Association sent witnesses from British Columbia and such investigations as were deemed necessary have been secured through the examination of statements by the auditors.

Mr. MACKENZIE (Vancouver): In other words, they have a clean sheet.

Mr. HANSON (Skeena): Will any witnesses be called from the fishing industry of British Columbia?

Mr. STEVENS: That has not yet been decided.

Mr. STEWART (Edmonton): Has the minister received representations asking him to investigate the textile industry, or has he arrived at a decision in that matter?

Mr. STEVENS: What is known as the needle workers trade is now being fully investigated. The question as to investigation of the textile industry has not as yet been decided by the committee.

Mr. SANDERSON: Some weeks ago I had some correspondence with the minister and at that time sent him a petition in regard to fertilizer. If my memory serves me correctly the minister said on that occasion that so many requests had been made he did not know at that time whether there would be time to take up the question of fertilizer. I should like to know now from him if there is any chance of a consideration of this matter later.

Mr. STEVENS: So far, representations which have been made have been substantially those which could be dealt with by an inquiry under the Combines Investigation Act. I do not think it is possible to say that we will investigate the fertilizer industry fully, but apart from that I think sufficient information will be obtained to answer the purposes of those agriculturists affected. I cannot promise, however, a full investigation.

Mr. SANDERSON: Probably the minister will recollect that the communication I forwarded to him was a request to have the matter come before the price spreads committee.

Mr. STEVENS: If we can possibly get time I should be very glad to do so, but I am not able to make any definite promise.

Mr. MACKENZIE (Vancouver): Have the department stores of British Columbia, and particularly those of the city of Vancouver made representations with regard to being heard before the committee?

Mr. STEVENS: Speaking from memory —and my hon. friend will realize that we have so many communications I cannot be sure—I cannot recall it.

Mr. COOTE: May I ask the minister whether the committee purposes investigating the selling price of agricultural machinery. I have had several letters dealing with this matter, and I take it for granted the committee will give the matter some consideration.

Mr. STEVENS: It is one of the subjects we hope to touch. It is before us, but again the question of time is, shall I say, the essence of the matter.

Item agreed to.

Experimental farms, including investigations concerning plant diseases, $1,815,000.

Mr. MOTHERWELL: This is a large item, and although I like to see a vote for agriculture I should like to know what it is for. What does this mean? To what particular plant diseases does it refer?

Sir GEORGE PERLEY: May I explain to the hon. member that this is simply a vote to enable spring activity on experimental farms. This item has not yet been before the house. In due course it will come before the house, and upon that occasion the Minister of Agriculture will, I am sure, be able to answer all questions.

Mr. DONNELLY: How much money is there in it?

Sir GEORGE PERLEY: As a matter of fact, the proposal put before the house is this: two-twelfths have already been voted and we are asking for another twelfth to which the committee has already agreed, making a quarter. We are asking, in this particular item, for a further quarter which, altogether, gives a half of the whole estimate, such sum to be used as required. This item, which I believe has not been before the house, will be thoroughly discussed when the estimates for the Department of Agriculture are reached.

Item agreed to.

Pensions payable to men on active service, Northwest Rebellion 1885, and general pensions, and civil flying $22,000.

Item agreed to.

Non-permanent active militia, $1,994,000.

Mr. MACKENZIE (Vancouver): Would the Minister of National Defence state whether or not there is an item here for the Seaforth armoury at Vancouver?

Mr. BENNETT: No, it is not in the main estimates.

Item agreed to.

Westmount — instalment on purchase of armoury and insurance, $13,600.

Item agreed to.

Harbours and Rivers

Nova Scotia

Blandford—breakwater wharf replacement, $4,500.

Black Point—harbour protection, $3,600.

Port Dufferin (John Vogler's shore) breakwater, $4,900.

Trout Cove — (Centreville) — breakwater extension, $4,200.

Harbours and rivers generally—for maintenance of services, no new works to be undertaken, $225,000.

Item agreed to.

Prince Edward Island

Victoria — additional warehouse accomodation, $2,700.

Harbours and rivers generally—for maintenance of services, no new works to be undertaken, $50,000—Total, $52,700.

Mr. POWER: Why is it necessary in the appropriation bill to enumerate these particular items? A large number of them have already been voted in the estimates.

Sir GEORGE PERLEY: I have already explained, or endeavoured to explain, that nearly all of these items have been passed in their entirety by the house. In the old days it used to be the custom that when there was an interim supply bill all the items which had already been passed by the house should be put in—the whole of them. But of late years that has not been the custom. Therefore we are asking for an extra quarter in these particular items in order that the work may be proceeded with at this time of the year, a time most propitious for that purpose.

Mr. POWER: Why enumerate them specifically? If I remember correctly it has always been the custom to come before the house and ask for one-twelfth or one-quarter, without going to the trouble of enumerating the particular works affected.

Sir GEORGE PERLEY: The only reason for the items appearing is that we wish to proceed with the work and spend right away more than one-quarter of the money. Therefore all the items have not been put in, but I asked that in this interim supply bill a further quarter should be requested on all the items upon which work will be done before the end of June, so that money may be available.

Mr. POWER: Is it just in order to be able to let contracts for these specific works? I see here a vote of $1,400 to complete wharf improvements at Anse aux Griffons. In the main estimates we have the same vote, and it has passed.

Sir GEORGE PERLEY: It is the same $1,400.

Mr. POWER: And then I see a vote for widening a wharf in Bonaventure, $4,600. That also has been passed. Then there is a further amount of $300,000 for "Harbours and rivers generally, for maintenance of services, no new works to be undertaken." That has passed. I should like to know why we have not had the item, "for public works, one-quarter" and lump the whole of them. Why specifically point out that the money is to be expended at Anse aux Griffons and at Bonaventure, and not on any of the other items?

Sir GEORGE PERLEY: It seems to me that all the items which have already passed the house might very well have been put in this supply bill—the whole amount. As I say, years ago that used to be done, but of late years that has not been the custom. I asked that this list be made as reasonable as possible in the hope that it would meet with the approval of the house.

Mr. ELLIOTT: Are there any items of public works here which have not been already passed?

Sir GEORGE PERLEY: Only one.

Mr. MACKENZIE KING: As the minister has said I believe all the items on the first two pages with the exception of one item headed "miscellaneous," have passed. I refer to item 120. If that were agreed to, along with the others which have already been passed in committee of supply we might take up the four or five remaining items which as yet have not been discussed. There are five items altogether that have not been discussed as yet in committee of supply. We are prepared to agree to everything going through except those items which have not already been discussed.

Item agreed to.

Bonaventure—widening wharf, $4,600.

Mr. MARCIL: What does the minister intend to do this year with the $4,600 for Bonaventure?

Mr. STEWART (Leeds): This item was before the house when I had all the information with me, and all the details were given. I am sorry I have not the information with me now, but what the house approved of then we propose to carry out.

Mr. MARCIL: If the minister gave the information, all right, but no information so far as I have been able to see was given as regards this expenditure at Bonaventure. I fail to find any information in Hansard about it. I would like to know what the minister intends doing at Bonaventure.

Mr. STEWART (Leeds): When I said the details had been given I meant to convey to the committee the fact that the item had been before committee of the whole and any information that was asked was furnished at the time. I cannot say now just what that item covers, but it was approved by the house.

Mr. MARCIL: If the particulars have not been furnished, will the minister send me a note saying what he intends doing at Bonaventure?

Mr. STEWART (Leeds): I can assure my hon. friend that following the practice of the past any communication that he chooses to address to me will be answered and he will be given all the information that is available.

Item agreed to.

Mr. MACKENZIE (Vancouver): May I ask when we may expect the supplementary estimates?

Sir GEORGE PERLEY: They have not been prepared yet.

The CHAIRMAN (Mr. MacDonald, Cape Breton): Shall all the items pass down to No. 117?

Some hon. MEMBERS: Carried.

Items agreed to.

National Revenue—salaries and travelling expenses of officers of the inspection, investigation, audit, and the preventive service undervaluation services, $916,698.

Mr. MACKENZIE KING: This item has not been discussed previously. Is there any special reason for including it at this time? It is an item of nearly one million dollars. It would look as if the department were getting ready for something extensive in the way of further restrictions.

Sir GEORGE PERLEY: This only provides for another twenty-five per cent. For some good reason they consider that they want to use more than the one-quarter which has already been voted. A full explanation will be given when the estimate comes before the committee.

Item agreed to.

Battlefields memorials, $90,000.

Mr. MACKENZIE (Vancouver): Is this work not now more or less completed? Does the government intend to have any celebration during the present year in connection with the unveiling of the Vimy memorial?

Mr. SUTHERLAND: The Vimy memorial will not be finished till next year. No definite decision has yet been made as to the unveiling.

Item agreed to.

The CHAIRMAN (Mr. MacDonald, Cape Breton): The third resolution reads:

Resolved, that a sum not exceeding $888,000 being one-fourth of the amount of each of the several items to be voted set forth in estimates for the fiscal year ending 31st March, 1935, for Canadian National Steamships and Maritime Freight Rates Act, laid before the House of Commons at the present session of parliament, be granted to His Majesty, on account, for the fiscal year ending the 31st March, 1935.

Sir GEORGE PERLEY: I might explain that this item was not in the main estimates. All we are asking for now is one-quarter of the total amount to cover the months of April, May and June.

Item agreed to.

Resolutions reported, read the second time, and concurred in.

Sir GEORGE PERLEY: Mr. Speaker, there is an item on the order paper for moving the house into committee of ways and means, with the amendment thereto of Mr. Ralston. Notwithstanding that, I would like the unanimous consent of the house to go into committee of ways and means now merely for the purpose of considering these resolutions.

Mr. SPEAKER: By consent.

Mr. MACKENZIE KING: This will enable us to return later in committee of ways and means to the motion as amended by Mr. Ralston as it stands on the order paper.

Sir GEORGE PERLEY: Certainly.

Motion agreed to.

WAYS AND MEANS

INTERIM SUPPLY

The house in committee of ways and means, Mr. MacDonald (Cape Breton) in the chair.

Sir GEORGE PERLEY moved:

Resolved, that towards making good the supply granted to His Majesty on account of

certain expenses of the public service for the financial year ending 31st March, 1935, the sum of $18,162,525.62 be granted out of the consolidated revenue fund of Canada.

Motion agreed to.

Resolution reported, read the second time, and concurred in. Sir George Perley thereupon moved for leave to introduce Bill No. 82, for granting to His Majesty certain sums of money for the public service for the financial year ending the 31st March, 1935.

Motion agreed to, bill read the first and second time, considered in committee, reported, read the third time and passed.

DOMINION COMPANIES ACT

Hon. C. H. CAHAN (Secretary of State) moved the second reading of Bill No. 64, respecting Dominion Companies.

Some hon. MEMBERS: Explain.

Mr. CAHAN: This bill is a revision of the acts relating to dominion companies and has been prepared with very considerable care. It is a bill which, I think, will not provoke any party or partisan discussion because it is an expression of a desire to provide such a consolidation and such amendments and modifications of the provisions of the Companies Act, now existing, as may be required to satisfy changes which inevitably take place from time to time in public opinion with regard to public companies.

I have had some forty years' experience in dealing with company legislation, and I can only assure the house that, after consideration of all the representations made to the Department of the Secretary of State during the past two years, this bill embodies what appears to me to be a just and comprehensive revision of that act.

So far as the policy and principle of the bill is concerned, that simply assumes, on voting for the second reading, that the house is in favour of a prospective consolidation and a prospective revision, and when the bill comes before the committee of the whole house, to which I shall move that it be referred, it will be open to full and detailed discussion.

My own experience is that it is very difficult indeed, in committee of the whole house, to prepare amendments during the discussion of a bill, because one has then in view a particular section or particular sections which are under discussion, without regard to the import and application of other sections of a complex measure. I remember that not long ago, in absolute good faith, I assured the right hon. the leader of the opposition (Mr. Mackenzie King), in discussion in the committee of the house, that an amendment which he suggested and which I then drew would fulfil all the requirements which he had indicated. I so stated in the utmost good faith. It has become necessary to grant a reference to the Supreme Court of Canada for a decision on that very issue, and I confess that when I was giving the right hon. gentleman that assurance there was one aspect of one section of an existing act to which my attention had not been directed and which, if my attention had been so directed, might have resulted in my making the proposed amendment more comprehensive and detailed than was the amendment which I then suggested and which carried.

If therefore I may now state my view, it is this. I should like this bill to be read the second time and the house to go into committee and perhaps pass the first and second sections—

Mr. MACKENZIE KING: Why pass any?

Mr. CAHAN: Well, possibly not. Then I would invite from every member of the house suggestions as to any amendment or modification in this bill which he thinks ought to be made in order to carry out his own particular views, and I should like to consider such suggestions with any member or with a number of members who may participate in the same view, before the matter is submitted to the committee of the whole house, so that if possible I may meet the views of every member of the house. That, I suppose, is impossible but I should like to meet the serious views of the majority of the members of the house with regard to the modifications that should be made in the Companies Act.

With that in view, and with an assurance to the house of our desire to place this bill on such a basis that party or partisan discussion will not be necessary, but rather that we may seek to elicit a coordination of the views of the whole house with regard to the complex provisions of the bill, so far as possible, I now move the second reading.

Mr. BUTCHER: If the bill is given second reading now, shall we be permitted to discuss on section 1 not only the principle of the bill but any suggested improvements?

Mr. CAHAN: Let me make it clear that so far as the government is concerned, when the bill is in committee, not only particular amendments or modifications may be discussed, but also general principles or policies relating to the bill.

Mr. MACKENZIE (Vancouver): On the title.

Motion agreed to and the house went into committee thereon, Mr. MacDonald (Cape Breton) in the chair.

On section 1—Short title.

Mr. BUTCHER: Will the minister allow section 1 to stand?

Section stands.

Section 2 agreed to.

Mr. CAHAN: In accordance with the understanding we reached, I move that the committee rise and report progress. A number of suggested amendments have been made dealing in a few cases with typographical errors and in two or three other cases with what appear to the members suggesting the changes to provide in certain sections clearer statements of their purpose. Those amendments, in order to expedite consideration by the committee of the whole house, I shall have printed in the proceedings in order that each member may consider what is proposed. If hon. gentlemen on either side have other amendments which they would suggest as proper, I am quite willing to consider them and possibly we might include them in the list of proposed amendments which I will submit in the votes and proceedings.

Mr. MACKENZIE (Vancouver): The hon. gentleman had better take charge of the marketing bill.

Mr. STEWART (Edmonton): I have not been able to discover in this bill the provision that I have been seeking for eight or ten years to have put into the Dominion Companies Act, namely, some control over the capital stock of the company. If there is such a provision I have not been able to find it. There is provision merely for the issue of the charter to the company at the capitalization suggested by themselves and from time to time they are given authority to increase that capitalization up to the maximum. It seems to me that some supervision of some sort should be taken in this connection. I just mention the matter to the minister. It is not provided for in the bill and I think it should be.

Mr. CAHAN: With regard to the issue of capital stock and the provision of the capital that is required this bill provides for the most complete disclosure of any act now in existence in, I think, any English speaking country excepting, possibly, the proposed amendments to the Securities Act now before the United States congress. In the administration of the act there is left to the Secretary of State considerable discretion. I say to the hon. gentleman that for four years the Companies Act has been administered with the greatest care and, without reflecting upon my predecessors in office, I think, in view of the exceptional circumstances of the time, it has been more carefully administered recently than it had been in previous years. But if the hon. member has any suggested amendment I will be very glad to consider it because I would like so far as possible to reach a consensus of opinion among members as to the provisions of the bill in order that when it is finally placed upon the statute books of the country it may represent the matured opinion of the majority of the house irrespective of party or other affiliations.

Progress reported.

THE BUDGET

ANNUAL FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The house resumed from Friday, May 11, consideration of the motion of the Minister of Finance that Mr. Speaker do now leave the chair for the house to resolve itself again into committee of ways and means, and the amendment thereto of Mr. Ralston.

Mr. WILLIAM IRVINE (Wetaskiwin): Mr. Speaker, I desire before the discussion is proceeded with, to rise to a point of order concerning the amendment moved by the hon. member for Shelburne-Yarmouth (Mr. Ralston) which appears at page 2445 of Hansard and reads as follows:

> This house regrets that the proposals of the Minister of Finance give no indication of the intention of the government to abandon the policies of economic nationalism which have proved so disastrous to Canada's trade.
>
> It is of the opinion that the immediate substitution therefor of policies which will promote export trade throughout the world is essential to any permanent improvement of conditions in Canada, and to the successful application of other policies respecting credit and employment designed to effect this end.

I desire to take objection to the latter part of the amendment and to show that it is out of order inasmuch as it deals with matters which have already been dealt with by the house. The particular words to which I invite Your Honour's attention are these:

> And to the successful application of other policies respecting credit and employment designed to effect this end.

The end being presumably the increasing of export trade. It is difficult to determine to what extent export trade will be affected by credit unless we discuss credit as well as export trade. The other day the hon. member for Vancouver Centre (Mr. Mackenzie) took objection on similar grounds to a subamendment; he called attention, as I do now, to a resolution which was moved by the hon. member for Camrose (Mr. Lucas), and in which the following words appear:

Therefore be it resolved, that, in the opinion of this house, the government should give immediate consideration to the creation of a national system of credit and finance.

And the subamendment was ruled out of order because in it these words appear:

And further, that this house is of the opinion that the control of national credit, which by the constitution is vested in this parliament, should be exercised immediately by the government.

The hon. member argued that on those grounds, namely, that credit was mentioned in the resolution moved by the hon. member for Camrose and that it was again mentioned in the subamendment moved by the hon. member for Battle River (Mr. Spencer), the said subamendment was therefore out of order. I draw your attention, sir, to the ruling which you gave sustaining that particular contention and I quote your words in giving your ruling.

I am of the opinion that the objection to the subamendment is properly raised, as it seeks to deal with a matter already discussed at this session, and one which is at the present time referred to the select standing committee on banking and commerce. I therefore find the subamendment to be out of order.

If the question of credit as mentioned in our amendment was before the banking and commerce committee and therefore rendered our subamendment out of order, surely the fact that credit is also included in the main amendment moved by the hon. member for Shelburne-Yarmouth causes it to be out of order. Further I would suggest that Your Honour should consider the amendment of the hon. member to whom I have referred, in the light of paragraph 397 appearing on page 127 of Beauchesne's Rules and Forms, as follows:

An amendment must not raise any question which by the rules of the house, can only be raised by a distinct motion after notice.

In other words the question of credit mentioned in the amendment is a substantive motion and does not refer to any particular part of the matter with which the budget deals. Therefore I would suggest that on both these grounds the matter cannot be discussed again in the amendment: first, that the question of credit is being dealt with by the banking and commerce committee under two measures, one the ordinary revision of the Bank Act and the other dealing with the question of a central bank; secondly, that it is a substantive motion of which notice should have been given, and that it is not germane to the main matters with which we have to deal. I would also say that the whole question of unemployment, which is mentioned in the amendment I have just quoted, has been dealt with by this house on a motion of the hon. member for Macleod (Mr. Coote) on February 7, 1934, namely:

That, in the opinion of this house, in view of the large number of unemployed, and with the necessity of increasing the purchasing power of the people, it is expedient that the government give immediate consideration to the inauguration of a large scale program of public works to be financed by a direct issue of non-interest bearing dominion notes.

That includes not only the question of credit but also unemployment, both of which are mentioned in the amendment. The hon. member for Macleod discussed that resolution, which is at the present time on the order paper. Therefore, sir, I submit that the amendment moved by the hon. member for Shelburne-Yarmouth (Mr. Ralston) is out of order for precisely the same reasons that our subamendment was ruled out of order the other day by yourself.

Hon. IAN MACKENZIE (Vancouver): On the point of order raised by the hon. member, if I understood him aright he raised three specific issues. The first was that the question of credit referred to in the amendment is before the committee on banking and commerce, and the hon. member quoted marginal notation No. 397 to standing order 48:

An amendment must not raise any question which by the rules of the house, can only be raised by a distinct motion after notice.

At once, sir, I wish to submit that the citation of marginal notation No. 397 has nothing to do with the point of order. I think the hon. member knows that there are certain resolutions that require notice, and the mere fact of an amendment suggesting any of these questions which might come up on a substantive motion has nothing to do with the point of order.

Then the hon. member suggested that the question of economic nationalism was referred to in the amendment moved by the hon. member for Shelburne-Yarmouth (Mr. Ralston), and that the question was previously disposed of in the debate on the address in

reply. I suggest that after careful perusal of the motion for an address in reply and the amendment thereto moved by the official opposition you will find that there is no reference to the words "economic nationalism." We moved an amendment adding certain words—that His Excellency's present advisers have lost the confidence of the country. Therefore that point is not germane to the present issue.

Two points remain: first, that the question of credit is now before the committee on banking and commerce, and second, that the question of unemployment was disposed of in two previous debates, on the motion of Mr. Heaps, and on that of Mr. Coote, during the present session. I submit that the other day when I raised a point of order the question of national finance or national credit was concretely before this house in the form of a specific resolution moved by the hon. member for Camrose (Mr. Lucas) and was disposed of on a point of order raised by the Prime Minister (Mr. Bennett). The general question of credit is always before this house and the banking and commerce committee, and therefore the reference to the word "credit" makes absolutely no difference. The question before the committee was a survey of what is known as national or social credit. I therefore submit that the point of order is not well taken.

Then in regard to the general reference to unemployment: two resolutions were mentioned, one proposed by the hon. member for North Winnipeg (Mr. Heaps), which dealt with a specific phase of the unemployment situation and offered specific remedies according to his ideas in the way of curtailing hours of labour, the redistribution of wealth, and the increase of purchasing power.

Mr. BENNETT: If I might interrupt, if the hon. member will look at page 73 of the votes and proceedings he will find the resolution is not quite that. The resolution of Mr. Woodsworth was:

> We respectfully regret that Your Excellency's present advisers have not taken such steps as are necessary to deal adequately with unemployment, to reduce the burden imposed by the public debt, and to put the agricultural industry on a basis that will insure to the farmer a decent standard of living.

Upon that the house divided. So it was frankly a question of unemployment.

Mr. MACKENZIE (Vancouver): My right hon. friend is dealing with a point not raised by the hon. member for Wetaskiwin (Mr. Irvine).

Mr. BENNETT: I could not hear very well what he said.

Mr. MACKENZIE (Vancouver): He referred to an amendment moved by the official opposition which was by way of adding certain words, not substituting or deleting. Therefore I submit that the point of order in that regard is not well taken. Further I want to suggest this rule, that any resolution of the session referring to a particular phase of a general question, a general problem, does not bar an amendment or resolution dealing in general with the whole question. That is a well known rule of parliament. The resolution moved by the hon. member for North Winnipeg dealt with the question of purchasing power and reduction of hours of labour. The resolution dealt with by Mr. Coote dealt with the issue of non-interest bearing dominion notes. I suggest that these motions therefore dealt with specific phases of the unemployment situation. It is all very well to resort to quibbles, but it would reduce parliamentary discussion to an absurdity if we were not allowed to refer to credit or unemployment in a general amendment to the budget. The specific question of national credit was dealt with on the motion of the hon. member for Camrose and is now before the banking and commerce committee. The general question of credit is not before that committee; it is before this house, as is the question of unemployment. I suggest that we certainly are entitled to move an amendment dealing broadly and generally with the two great questions of credit and unemployment.

Mr. J. S. WOODSWORTH (Winnipeg North Centre): I quite agree with a great part of what has been said by the hon. member for Vancouver Centre (Mr. Mackenzie). But some of us took precisely that ground when the question was up the other day with regard to the subamendment moved by two members of this group. I believe that the amendment of the official opposition is in order. I believe that our amendment was in order. I cannot see why it should be said that national credit belongs to one particular category and credit belongs to another; that one particular kind of unemployment belongs to one category and another kind of unemployment to another. It seems to me that by ruling out the subamendment the other day we in reality reduced the proceedings of this house to an absurdity. That is the only reason why I feel that I should support a position such as that taken by the hon. member for Wetaski-

win (Mr. Irvine). If the house has definitely decided that this kind of motion is out of order, it is right that we should deal in the same way with other motions of the same kind. That is my position. Personally I submit that this amendment is in order, as I considered our amendment in order. But justice is more important than technicalities; if the one was ruled out of order the other should be ruled out of order.

Mr. MACKENZIE KING: There is one distinction between the amendment that has been moved by the official opposition and the one referred to by my hon. friend from Winnipeg North Centre, which I think should be drawn to your honour's attention. The amendment of the official opposition says nothing at all with respect to the particular policies on credit or unemployment which are referred to in the amendment. The amendment is solely to the application of any policies, whether they be the policies of the hon. member for Winnipeg North Centre (Mr. Woodsworth) or the policies of the official opposition. The amendment distinctly reads:

> It is of the opinion that the immediate substitution therefor of policies which will promote export trade throughout the world is essential to any permanent improvement of conditions in Canada, and to the successful application of other policies respecting credit and employment designed to effect that end.

There is no controversy in the mind of any of us as to the policies recommended by hon. gentlemen in the far corner being designed, from their point of view, to effect the end of improving conditions. We are in agreement as to that; they may be different policies from these which we are proposing, but this amendment says that it would not matter whether the policies of the members of the C.C.F. group or those of the official opposition were to be the policies of the day, that they could not be effectively applied unless in some way the policies with respect to export trade were of such a character as to improve trade as such. I submit therefore that there is a distinction between the two amendments that is vital, and altogether apart from discussing the previous ruling of Your Honour the amendment which is now being called in question seems to be perfectly regular inasmuch as it relates to the application of policies in general, and not to the question of specific policies with respect either to credit or to employment.

[Mr. Woodsworth.]

Right Hon. R. B. BENNETT (Prime Minister): When the other day this matter was being discussed, on the point of order then raised I asked the Speaker whether or not that applied to the whole of the subamendment, because it contained certain words about which I had the gravest doubt. I still have that doubt. The question, however, is this: Can the house twice debate and arrive at a conclusion with regard to the same matter during the same session? If the amendment proposes to review the decision already arrived at, then I think the amendment is out of order. I think we have held that too frequently to have it further discussed. The amendment of the official opposition first of all alleges what are the policies of the government and then states that the opposition favours the substitution therefor of certain other policies which are named. With respect to one of these there might be a very debatable question as to whether it has been discussed this session in the sense of a conclusion having been arrived at. When the hon. member for Wetaskiwin (Mr. Irvine) was making his observations I remembered that the hon. member for Winnipeg North Centre (Mr. Woodsworth), following the general amendment moved by hon. gentleman opposite to the address in reply to the speech from the throne, moved an amendment which I have just read, and which I hesitate to read a second time. However, his words were:

> We respectfully regret that Your Excellency's present advisers have not taken such steps as are necessary to deal adequately with unemployment, to reduce the burden imposed by the public debt, and to put the agricultural industry on a basis that will insure to the farmer a decent standard of living.

Rightly or wrongly the house divided on that question and by a vote of 54 to 89 determined for this session that the government of the day had not failed to deal adequately with unemployment, to reduce the burden imposed by the public debt or to put the agricultural industry on a basis that would ensure to the farmer a decent standard of living. Whatever in the amendment to the motion to go into supply is at variance with that in my judgment should be stricken out, following the course of reasoning that always has been adopted in parliament, namely that you never would cease to debate if you continued, sitting after sitting, to discuss a matter already disposed of. It is quite clear that when this house voted upon the amendment moved by the hon. member for Winnipeg North Centre and seconded by the hon. mem-

ber for Acadia (Mr. Gardiner), for this session it did dispose of those matters; I think we all agree with respect to that. Instead of limiting the amendment to a specific matter they dealt with three broad, general policies, unemployment, agriculture and the public debt, and in connection with all three they asked that the attitude of the government be challenged. That has been done; the vote has been taken, and I do submit that this phase of the matter is disposed of.

It will be recalled that it was decided by your predecessor, Mr. Speaker, that with respect to matters that were already on the order paper an amendment could not be offered to the motion later submitted to the house. That was in connection with the natural resources debate. An effort was being made by the late hon. member for Frontenac-Addington to move an amendment on going into supply, and the resolution upon the order paper precluded him from doing so because it was held that you could not anticipate, by a motion on going into supply, a matter that was to be the subject of debate. As a matter of fact the marketing bill had been submitted to this house and had received first reading before the amendment was moved by the hon. member for Shelburne-Yarmouth (Mr. Ralston). That bill does deal with the export trade; the very title states that it is desirable to encourage export trade. Whether or not you should place a more limited construction upon those words than their broad and general meaning would indicate I am not going to argue, because last session I did indicate what I should like to repeat now: When an opposition, whether it be the official or the unofficial opposition, see fit to move amendments to the address challenging the specific policies of the government, and a vote is taken which is adverse to them, they cannot again during that session move the same amendment. That is one of the risks that must be taken. Whether or not they sufficiently amplified their position when they first moved the amendment is not for me to say, but it is obvious that they cannot move the amendment a second time on going into supply.

Mr. MACKENZIE (Vancouver): There can be a general discussion.

Mr. BENNETT: I submit that the hon. member for Vancouver Centre (Mr. Mackenzie) will not say that the amendment moved by the hon. member for Winnipeg North Centre does not deal with three specific policies of the government.

Mr. MACKENZIE (Vancouver): But this is general.

Mr. BENNETT: Yes, and so are they; most general. The amendment of the official opposition now deals with export trade, the permanent improvement of conditions in Canada, the successful application of other policies respecting credit and employment, and so on. Certainly with respect to employment there is no doubt that this matter has been canvassed and argued for this session, and the vote has been taken. With respect to credit it might be said—I am not going to labour the point—that it has been disposed of also because of the votes that were taken on the general motion that the government had lost the confidence of the house. In addition, however, we had the discussions on the Bank Act and the Bank of Canada Act, and the motion of the hon. member for Macleod (Mr. Coote) with respect to the issue of non-interest bearing securities. In all those matters the house dealt with that subject. I do not know that there has been a careful decision given by the chair as to how far the discussion of these matters on the address, when a vote is taken, precludes the possibility of raising them again in somewhat different words on going into supply. I have pointed out, as I do again, that when on the address in reply to the speech from the throne you see fit to challenge the policies of the government and specify the general policies to which objection is taken, you cannot again challenge them on going into supply, and that is just what this amendment does in at least three points.

The other day I raised the question, which is still uncertain in my own mind, as to whether or not the subamendment moved by the unofficial opposition, in terms negativing the motion to go into supply by substituting for that motion a portion of the amendment moved by the official opposition, to which was added the view of the unofficial opposition as to what the policy should be, was in order. The Speaker, with the approval of the house subsequently given, ruled that this was out of order. I may say that I am wholly in accord with that view except with regard to one item; it is true that it is a small item, but in my judgment the house has not yet dealt with it.

With respect to the amendment moved by the hon. member for Shelburne-Yarmouth, every one, but two, of the matters contained therein has already been dealt with by this house on recorded votes, or, what is more important, those questions are now upon the

order paper and open for discussion. Such procedure is precluded by a rule about which, at the time it was given by your predecessor, Mr. Speaker, I had some doubt, but which upon subsequent investigations I satisfied myself was absolutely sound, namely, that if in good faith there is placed upon the order paper—and I say in good faith, because I fancy the house would be quick to deal with a question which was merely intended for purposes of embarrassment—if a resolution had been placed upon the order paper for discussion, and then it was sought, upon amendment going into supply, to deal with it, it is out of order because you anticipate a discussion which must take place. On the two grounds the amendment—not in its entirety, in my judgment—must fall, first, because it endeavours again to revive for discussion in this house questions of which this house has disposed by recorded votes and, secondly, because in its terms it anticipates matters which are already upon the order paper, and with which this house has partially dealt and is about to continue to deal.

Mr. MACKENZIE KING: Before he concludes his argument may I ask the Prime Minister a question? As I take it, the point in my right hon. friend's contention revolves around the exact meaning to be attached to the expression "matter disposed of." I would submit to my right hon. friend that if he construes the expression "matter disposed of" as applying to general conditions or to matter or matters, used in a general sense, rather than to a specific matter, there would be no opportunity for debate, discussion or amendments of any kind. It surely must relate only to specific acts or policies which have been discussed and disposed of. As an instance I would mention a motion by the opposition to the effect that the government does not any longer enjoy the confidence of the house. My right hon. friend's contention is that if that motion is moved once in a session it cannot be moved a second time whereas, as my right hon. friend knows, it may as a matter of fact be moved fifty times, if we follow the rules which have heretofore been followed. The rules must be considered in a broad and liberal way so as to permit discussion, and it is important that the Prime Minister should not place upon the words the limited and restricted interpretation which he has just given.

Mr. BENNETT: Although I have exhausted my right to speak, I should like to answer the question asked by the right hon. gentleman. I think that when the resolution is moved stating that the government has lost the confidence of the house it must necessarily, under our representative institutions, always be in order, because the British North America Act itself provides that a government must command the support of a majority in the house. One of the methods by which that point can instantly be raised is that any hon. member any time, subject to the general rules and decorum, may make the motion that a government has lost the confidence of the house. Then a vote may be taken accordingly. That is a motion, which, of course, having regard to the British North America Act must always be in order. But the general rule of procedure in all deliberative assemblies is that once, during a session, a matter has been disposed of—

Mr. MACKENZIE (Vancouver): A specific matter.

Mr. BENNETT: —it cannot be raised again. Could you have anything more specific than the motion made on the speech from the throne by the hon. member for Winnipeg North Centre. He challenged the government on three general policies.

Mr. MACKENZIE (Vancouver): May I interrupt?

Mr. BENNETT: Yes.

Mr. MACKENZIE (Vancouver): The amendment moved by the hon. member for Shelburne-Yarmouth deals with the application of policies with respect to credit and employment, designed to meet that end. That might mean new policies which have not been discussed in this house at all. It is the application of policies with respect to credit and employment. It might mean new policies, or policies not discussed previously in this house.

Mr. BENNETT: Unfortunately it does not say that; that is the difficulty. Exactly the same point arose with respect to anticipation. When we had a motion on the order paper, and a motion going into supply, we were assured that members were not going to discuss a matter from the same point of view at all. But because the motion covered the same matter the Speaker ruled it could not be done. Here we have the hon. member for Shelburne-Yarmouth stating that government policies with respect to three matters are inimical to the best interests of the country. And in this motion we have a declaration to the same effect with respect to at least two of them. As a matter of fact I am very anxious that whatever is done in a matter

of this kind should be done properly. We should not hasten in the matter, because it is very serious. Always, when an amendment to go into supply is dealt with one feels that the widest latitude should be enjoyed by those hon. gentlemen sitting opposite in making any motion which in their wisdom they think it desirable to make, any motion indicating their disapproval of the conduct of the government in the affairs of the country. But, as I pointed out last year and again point out, if they see fit to anticipate that they must take the risk of having a double debate with respect to some matters, a practice which I believe the rules are intended to prevent. No hon. member looking up Hansard will deny that very many of the speeches were almost identical in terms with the language used here.

Mr. MACKENZIE (Vancouver): Why not?

Mr. BENNETT: I am simply answering that the "why not" is the reason that this is out of order. That is why not, exactly. It is not intended that at the same session the same speeches should be made on the same matter. One is on the ground of economy, and the other is that a conclusion already arrived at should not be challenged.

I am not expressing any opinion about the matter other than to indicate that as I read the rules—and I made this statement last session as I had made it before—if an opposition challenges a government's policy as reflected in the speech from the throne to the extent of moving an amendment and taking a vote, it then is precluded from challenging those same policies on a motion to go into supply, and taking a vote on the same matter. The right hon. gentleman is entirely right when he states my point is that the question is whether or not the amendment now before the house challenges the policy of the government on the same grounds or with respect to matters dealt with previously in the amendment to the address in reply to the speech from the throne. This is a matter of considerable importance, and one which I think should be very carefully considered.

Mr. MACKENZIE KING: Would the Prime Minister's reasoning not make it possible for the government to preclude a debate on any question during a session by just having an amendment introduced of an omnibus nature which would offer criticism of all government policies? That is what it comes to.

Mr. BENNETT: I can only say that my view of the rules is that they are intended to prevent a second discussion on any matter which has been either affirmatively or negatively determined by a vote of the house. If a resolution has been moved, seconded and passed by the House of Commons that resolution cannot again become a subject matter in a session.

Mr. MACKENZIE (Vancouver): Not a specific matter,—but a general matter, yes.

Mr. BENNETT: There is no distinction between specific and general; otherwise the rule would have no value. Speeches on general matters are amplified and illustrated from specific instances, and it seems to me somewhat anomalous that a man can condemn a policy of government with respect to a general program it is endeavouring to carry out, and then say, "Now, I am going to move a vote of want of confidence with respect to the same matter by taking one part from it and making it the subject matter of an amendment to go into supply." It might be made the subject matter of a motion of no confidence in another way, but that is not the matter we now have under consideration.

Mr. SPEAKER: In view of the importance of the point raised I should prefer to reserve my decision until the discussion comes on again. The hon. member for Shelburne-Yarmouth who moved the amendment is not here, and the effect of his amendment in relation to Bill No. 51 has been raised I think for the first time. I should not like to see the hon. member who moved that amendment taken by surprise and therefore, if it meets with the approval of the house, I shall reserve my decision for the time being.

Mr. J. A. FRASER (Cariboo): Mr. Speaker, in rising to make a few observations on the question before the house I should like first of all to extend to the Minister of Finance (Mr. Rhodes) my congratulations on the excellent manner in which he delivered the budget speech and also on the excellent matter which the speech contained, and particularly the full review which he made of conditions throughout the country for the benefit of the people.

We have just had a discussion on a point of order raised in regard to the amendment moved by the hon. member for Shelburne-Yarmouth (Mr. Ralston) and therefore I think it will not be necessary for me to put on record again the wording of that amendment,

but I should like to refer to some of the remarks which the hon. member for Shelburne-Yarmouth made in support of his amendment and with reference to the budget as a whole. Early in his speech he said:

> This budget is born of policies which are diametrically opposed to those which we endorse and which we believe to be for the benefit of Canada.

That brings up for review just what the policies of the government are so far as Canada is concerned, and also just what the policies of the opposition are for this country. I should like to refer for a few minutes to the policies of this government as laid down during the last election campaign. I think the house will agree with me that the most outstanding feature of the policies laid down by this government during the last campaign was a different system of taxation, one that is generally known as the protective policy. The Conservative party—this is my interpretation, at all events—claimed that the policies of the Liberal government had not had due regard to the protection of the different industries of the country and the welfare of the people.

I think it will be taken for granted that the result of the election was a demand that the policies as laid down by the Conservative party were the ones which should be put into operation in this country. We promised the people that we would increase the tariff taxation so as to improve conditions throughout this country, and I do not think there is anyone who will argue that we have not implemented that promise. Indeed, I think the consensus of opinion on the other side of the house is that we have increased those tariff duties to too great an extent. That being so, and taking it for granted that the opposition are going to do what they say, namely, reduce those tariff duties should they come into power, I think it is just as well for us to see what has been the result of the imposition of those tariff duties.

In the first place I do not think it is open to argument that tariffs throughout the world have been raised very materially during the last six or seven years, and that the raising of those tariffs was not coincident with the coming into power of the Conservative party in this country. Long before we came into power the different countries of the world had been continually raising their tariffs, and our complaint was that the Liberal government then in power was not following the example of other countries in raising our tariffs, and that consequently the people of this country of all classes and all occupations were suffering hardship. In other words, Canada was being exposed to the dumping of all the surplus products of the world on account of the low tariffs prevailing in this country. The result was that people were thrown out of employment in this country, and many of our producers were put in a position where they were unable to earn a livelihood, their market was ruined, and unemployment was gradually growing worse.

Now I want to bring to the attention of the house a few factors in relation to that general subject. I want to refer to the province of British Columbia in the first place, and I give this statement to the house, that before the advent of the Conservative party to power in this country the dairy men of the province of British Columbia were very much dissatisfied with conditions in their industry. It was pointed out to them that on account of the low tariff maintained by the Liberal government they were not receiving a reasonable return for their products, that their neighbours immediately across the international boundary were protected by a higher tariff and were enjoying higher prices, and were able to dump some of their surplus into this country to the disadvantage of our own producers.

When the hon. member for Shelburne-Yarmouth says in his amendment that the policies of the Liberal party are diametrically opposed to the policies which are in effect under this government, I suppose he means that if the Liberal party were to come into power they would do away with the protection which the dairy man is enjoying. Will my hon. friends from British Columbia on the other side of the house go back to British Columbia and endorse a program of that kind in the next campaign? I think not. And the same thing applies to the fruit growers in British Columbia. You will remember, Mr. Speaker, that during the regime of our Liberal friends the fruit growers in British Columbia were suffering severe handicaps. They were subjected to very unfair competition from the other side of the line. They asked for redress from the Liberal government and they were unable to get satisfactory redress. But since this government has come into power the fruit growers of British Columbia have been enjoying the benefit of their own market, and I fail to see how the fruit growers of that province or of any other part of Canada will take very kindly to the statement made by the hon. member for Shelburne-Yarmouth when he suggests that should

the Liberal party come into power they are going to put into effect policies which are diametrically opposed to the policies now in force under the Conservative party.

I wish to say a few words in regard to lumber. My hon. friend from Shelburne-Yarmouth makes some interesting remarks in his speech on the budget at page 2437 of Hansard, in the second column:

> Let me give my hon. friend an example of how the duties they have put on have hurt our exports. This government put on sharp increases of tariff against the United States.

Note that statement: "This government put on sharp increases of tariff against the United States." Well, probably that is so, but which country was the first to impose the duties? Did Canada impose duties against United States lumber before the United States imposed duties against our lumber? I think not. But this statement would lead one to believe that.

> The United States put on an import tax of $3 and a duty of $1 against our lumber.

That is a fair statement.

> The result was an imposition of $4 against us.

Quite right.

> We then to find a market for our lumber included it in our treaty with Great Britain.

Quite correct.

> What has occurred in connection with our timber exports to the United States due to the high duties which were put on against that country?

Was it because we put on high duties against that country, that we could not export lumber to the United States? I do not think that is a fair statement at all. As a matter of fact the hon. member for Shelburne-Yarmouth knows perfectly that we were enjoying a very nice trade in lumber with the United States until they themselves put on duties which very largely prohibited that trade; and so far as British Columbia was concerned we lost a very large and valuable market for our lumber. What did this government have to do? They could not do anything to lower the duties on goods going into the United States, because we have no control over the duties which the United States imposes. But we did have to turn round and see whether we could not find alternative markets, and in our search for such markets lumber was included in the Ottawa agreements. Since that time we have had very large and increasing exports of our lumber from British Columbia, until at the present time the industry in that province is in a very flourishing condition, or was until there was some labour trouble last winter. Those troubles however are being overcome I believe. But the point is that the market to the south of us having been taken away from us, not by any action on the part of this government, not by the imposition of high duties by this government but solely by the action of the American government in imposing duties on our products into that country, this government had to find and succeeded in finding an alternative market, for which I think they should be given some credit.

Will my hon. friend from Shelburne-Yarmouth say that if the Liberal party is returned to power it proposes to do away with the Ottawa agreements, with the tariff on lumber coming into Canada, and go to the United States Congress and ask them to remove their duties on lumber so that we may be allowed to ship our lumber into the American market? Well, I do not know. The hon. gentleman went on to say:

> In 1930 we exported to the United States $26,000,000 worth of planks and boards; in 1933 we exported only $6,000,000 worth of planks and boards, a drop of $20,000,000.

Well, that was not our fault.

> My hon. friends think we got a market in the United Kingdom. In 1930 we exported to the United Kingdom $5,500,000 worth; in 1933 we exported $7,600,000 worth. We had a gain of $2,000,000 to the United Kingdom but we lost $20,000,000 in exports of lumber to the United States.

I submit that the two question have no relation at all to each other. It was not the action of this government that deprived us of the opportunity of disposing of our goods in the United States, but it certainly was to the credit of this government that that market to the south of us having been shut off, we were able to find an alternative market in Britain. And I think that if the Liberal party does come into power it will hesitate a long time before it destroys the effects of that market for our product.

Then there is the cattle business, which is exactly on the same basis. Canada did not raise the tariff against United States cattle; it was the United States that raised their tariff against Canadian cattle and therefore shut our cattle out of that market entirely, and we had to do exactly the same thing as far as our cattle were concerned. Our cattle trade became depressed. We were in

the habit of sending 100,000 head of cattle to the United States market every year, and that market was deliberately taken from us by action of the United States Senate itself, carrying on its own business in its own way, but to the detriment of the people of Canada, and this government has had to find an alternative market for the cattle trade of the dominion. The government had to exercise a great deal of energy, to spend some money and to take an interest in the cattle market in order to build up an export market for our surplus cattle. They have not only spent a good deal of time in organizing the trade, in finding markets, in assisting shippers and breeders and sellers and everyone else to find a suitable market, but as well they have had to spend a sum of money in the rigging up of ships for instance. When there developed a shortage in shipping space this government did not hesitate to spend a few thousand dollars to rig up ships so that they might be available to transport our cattle to the other side of the water. Not only that, but they took in hand also, with the shipping companies, the question of reducing rates, so that we find that a substantial reduction has been made in the freight rates on cattle between this country and the old land since the advent of this government.

According to the statement made by the hon. member for Shelburne-Yarmouth, all that will be done away with when the Liberal party comes into power. I want the people of this country, and especially the people of my own district, to note the fact that all these benefits which have accrued from the operations of the Conservative government, who have intelligently run the affairs of the country, will be lost; and I ask, where will that land us. It will subject the people again to the same sort of unfair competition from all parts of the world, in all kinds of surplus merchandise, to which they were subject when we came into power in 1930.

The hon. gentleman then goes on to compare the surplus in the British budget with the deficit in the Canadian budget. He points out that they have a surplus of £30,000,000 whereas we have a deficit of $23,000,000, or something like that, and he said that this result has been obtained when the customs duties were not gallows high. He did not go further, but he might have gone a little further and reminded the people that it might be as a result of the imposition of customs duties that they had a surplus in the old land. It might be as a result of the fact that they have reversed their policy of a hundred years from free trade to a policy of customs duties. That may have some bearing on the fact that they have an actual surplus there; I do not know whether it has or to what extent it exists. At any rate our friend did not mention the fact that the surplus in the old country came about shortly after there was a reversal of the free trade policy of Great Britain.

He then criticizes this government for increasing the sales tax from one to six per cent. That is nothing new so far as the dominion government is concerned. The Liberal party themselves have a record of increasing the sales tax; I do not know where it stood when they started increasing it, but I think it was two per cent and they increased it to six per cent. The hon. member criticizes us because we imposed a three per cent excise tax. The excise tax is nothing new although the actual incidence of it may be a little heavier; we did not engineer any new tax.

The reduction in the income exemptions, the reduction in the sales tax exemptions—all these constitute increases in taxation which he very much decries and which he points out to the people as something for which this government should be held strictly responsible, for which it should be censured, if you like, perhaps voted against and maybe kicked out of office at the first opportunity. I do not know about that, but we have plenty of precedents for imposing taxes of that kind.

Let me say this to hon. gentlemen opposite: Had it not been for the unwise and extravagant policies of the preceding Liberal administration we would not have had so many bills to pay and we would not have had to impose so many taxes as we have at present. Their extravagant policies all over the country are responsible as much as anything else for the conditions we find throughout the dominion and they constitute one of the reasons this government has found it absolutely necessary to impose new taxes and also to increase existing ones.

Let us look at some of the things for which we have been paying. For instance, the government did not create the Canadian National Railway deficits; we are paying $50,000,000 or $60,000,000 a year of the money of the Canadian taxpayers in order to keep that railway going. Who built it up to its present proportions? Who created that deficit? Who was it that continued those extravagant expenditures in providing all kinds of unnecessary equipment and other facilities for carrying on

that railway? The former Liberal government, while they were in office from 1923 to 1930, increased the annual interest charge of the Canadian National Railways to the people of the dominion by $20,000,000. That is a very serious amount to have to raise in addition to the ordinary revenue. This government did not create the unemployment situation which it found when it came into office. No one will for a minute contend that unemployment was brought into effect after the Conservative government came into power. It was one of the main issues in the election campaign and it has cost us quite a substantial sum of money.

What about the conditions that we find with regard to production throughout Canada, particularly in the west where we have had what one might term a national disaster, especially in that part of Saskatchewan and some parts of Manitoba and Alberta where crops have been very bad? In fact, in some parts they have not had crops for three or four years. That has had a depressing effect upon conditions generally and this government has had to provide the means to take care of the people in those districts. We have also had to face world contraction not only of trade but of prices and everything else. This government did not make those conditions throughout the world but it has tried to do the best it could in order to meet conditions as it found them. The hon. member has found fault with us because in an effort to meet that situation we have increased the national debt by $594,000,000. The member for Shelburne-Yarmouth says that we have increased the debt by that amount, so it must be so and we shall have to face the situation, but are all these matters to be charged to the Conservative government? In the first place I wonder whether our hon. friends remember what commitments or unfulfilled obligations they handed on to this government when in 1930 they were asked by the people to retire? I have not yet heard anyone say anything about those obligations, but I want to remind my hon. friends now that when they went out of office they left behind them unfulfilled obligations amounting to $254,000,000. This government did the best it could; it compromised or settled them in some shape or form. I do not for one minute mean to say that the government has paid $254,000,000, but that is the amount of unfulfilled obligations that it found on its doorstep and that takes a big slice out of the $594,000,000. For my part I do not propose to sit in the house and listen to the opposition decrying the addition that has been made to the debt of this country without protesting that we have some reason for adding to that debt in the fact that our hon. friends opposite left this $254,000,000 of unfulfilled obligations on our doorstep when they went out of office. In addition to that we have paid $130,000,000 for unemployment relief; we have lent the provinces $50,000,000 and we have paid $200,000,000 in the way of deficits on account of the Canadian National Railways. When one considers these amounts in their relation to the increase in the public debt, I do not think anyone in Canada can find so very much fault with the present government. As a matter of fact, hon. gentlemen opposite will have a great deal of trouble in trying to convince the Canadian people that all the blame for these conditions is to be laid at the doorstep of the Conservative government at present in power.

When the Conservatives came into power, the country had an unfavourable trade balance amounting to some $90,000,000; that has been transformed into a favourable trade balance of $152,000,000. There are two ways of looking at trade balances. Someone may say that they do not make any difference, but I look at the matter in this way; a favourable trade balance should be aimed at because it assists in paying our bills abroad. It is just like a man with a certain income; if he has sufficient money coming in to look after his requirements, he is on happy ground; if his liabilities are a little greater than his resources to meet them, he is in trouble all round. The situation is just about the same with a country as it is with an individual except that it is on a larger scale.

We also hear the opposition continually endeavouring to create among the people the impression that we are in some way doing nothing towards building up our foreign trade. Now I do not find anything in that. We hear hon. gentlemen on the other side of the house from day to day and week to week telling us that we should expand our foreign market, that we are losing our foreign market, are not taking care of our foreign trade. On reviewing the situation I do not see that we are doing very differently from what the Liberal government did, except that we are paying more attention to it and putting more

intelligent effort into the expansion of our foreign trade. The figures are available to every hon. member. Here are some statistics relating to our trade with the United Kingdom and the United States and other countries:

	1929	1933	Increase	Decrease
United Kingdom—				
Percentage of exports	31.5	38.9	7.4	....
Percentage of imports	15.3	21.2	5.9	....
United States—				
Percentage of exports	36.7	30.2	...	6.5
Percentage of imports	68.6	57.2	...	11.4
Other countries—				
Percentage of exports	22.8	30.9	7.1	....
Percentage of imports	16.1	21.6	5.5	....

So that neither in the exports to nor the imports from the United Kingdom have we had any decrease, but on the contrary an increase in both. With the United States our exports as well as our imports have shown a decrease. I think hon. gentlemen will remember that one of the things with which the Conservative opposition charged the Liberal government was that there was too large an adverse balance of trade with the United States, and it should be brought more nearly into balance. We have brought it more nearly into balance. The other night the hon. member for South Huron (Mr. Golding) made the statement that we had promised that we were going to eliminate entirely the adverse trade balance with the United States but we still have an adverse trade balance with them of $138,000,000. True we still have that adverse balance with the United States and probably will have it for a long time to come, but our effort has been to cut it down as much as possible. Let me point out what we have accomplished in that respect. In 1929 our adverse trade balance with the United States was $350,000,000. I think we have done very well to bring it down to $138,000,000 in the time this government has been in office and under the conditions that have prevailed. I think that is a matter for congratulation instead of criticism. At any rate we have decreased our imports from the United States in proportion to our total imports by 11·4 per cent, reducing the actual adverse balance from something like $350,000,000 to $138,000,000.

Then hon. gentlemen say we must expand our foreign trade. But in both exports and imports we have increased our foreign trade. We are putting intelligent efforts behind it, and the result shows in the returns which are tabled in the house, to which every hon. member has access. So there is nothing in this eternal and constant reiteration of the statement that this government does not realize the necessity for foreign trade. My observations lead me to believe that constant and intelligent effort is being made to develop foreign trade, so that we may balance up and live happily ever afterwards. The general impression one would gather from discussions in this house is that this is an all-round no-good government, that it does not do anything, any time, anywhere.

Mr. NEILL: Don't mention it.

Mr. FRASER (Cariboo): Is that the lumberman from Vancouver? I am sorry he was not in the house to listen to my dissertation on the lumber business, because he is one who did not think the Ottawa agreements were going to do us any good. But ask him to-day and see what he thinks. To-day they are prospering instead of being down in the dumps; he is laughing every day.

Mr. BEAUBIEN: More promises!

Mr. FRASER (Cariboo): Let us see some things that this government has done since it came into power. In the first place we did one grand big job in revising the tariff, we revised it upward. They blame us for being high tariff people, say that our tariffs are as high as Haman's gallows and all that. Now the question whether the tariff is high or low is not an interesting one to the Conservative party; the important question is: Is it high enough to be effective? Is it high enough to do the work it is intended to do, that is take care of unemployment and of general conditions in this country, to give this country a fair deal?

Mr. DENIS: With what success?

Mr. FRASER (Cariboo): I am a little dull of hearing, I did not get it.

Mr. MACKENZIE (Vancouver): It is a good fault.

Mr. FRASER (Cariboo): This government promised that they would raise the tariff. They went right at it in the proper way. When they revised the tariff they made a real

revision, and it has been very effective. Since that tariff went into operation we see things getting back to normal; we see the benefit. You cannot pick up a newspaper without seeing encouraging reports of reviving industry throughout this country.

Mr. MACKENZIE (Vancouver): The gold tax!

Mr. FRASER (Cariboo): Of course I do not expect to make the Liberal opposition see this, but as far as I am concerned I have no hesitation in saying that ninety-nine per cent of it is due to the policies of this government.

Some hon. MEMBERS: Oh, oh.

Mr. MACKENZIE (Vancouver): Including the gold tax.

Mr. FRASER (Cariboo): I shall talk about the gold tax in a minute. I notice you do not say much about the gold tax yourself.

Mr. MACKENZIE (Vancouver): I do not like it.

Mr. FRASER (Cariboo): Then we have had to handle this unemployment problem every year since this government came into office. We have spent $130,000,000 but what did this opposition tell us in 1930? I wonder if there are any here who heard that "five cent" speech—"not a five cent piece," and that kind of nonsense. This government having promised that they would take care of unemployment as well as they could have up to date spent $130,000,000. I wonder if the public want to go back and be left to their own resources. What would have happened to a lot of people had this government not come to their assistance, for instance the people of southern Saskatchewan where they had four or five successive crop failures?

Mr. MACKENZIE (Vancouver): And the Canadian Pacific?

Mr. FRASER (Cariboo): Then in addition to taking care of unemployment, which has occasioned a great deal of discussion, we also gave the wheat farmers of the prairies a bonus on their production one year.

Mr. DENIS: Only for the west.

Mr. FRASER (Cariboo): Yes, but they are the people who are hard up; they need it most. Everyone wants more money, and there is always plenty more back in the east; at least that is the opinion of the people in the west. We not only bonused the wheat growers; in addition to that we financed the whole operation of purchasing that wheat crop. I thought I heard my hon. friend from South Battleford (Mr. Vallance) laugh at that.

Mr. VALLANCE: Oh, no.

Mr. FRASER (Cariboo): As a matter of fact the wheat growers would have been very badly off if this government had not undertaken the financing of that wheat crop; they would have tried to deliver their wheat but no one would have been there to receive it or pay for it.

Mr. VALLANCE: Why?

Mr. FRASER (Cariboo): Because they would not have put their money into it; they would not have given twenty-five cents a bushel for the wheat if this government had not stood behind them and said, "Here, these men must have a certain amount of money."

The ACTING SPEAKER (Mr. Stirling): The hon. member has spoken for forty minutes.

Some hon. MEMBERS: Go ahead.

Mr. FRASER (Cariboo): I am sorry, Mr. Speaker; I hardly got started.

Mr. A. E. MUNN (Vancouver North): Mr. Speaker, I should like to congratulate my hon. friend from Cariboo (Mr. Fraser) on his interesting speech, though I shall not attempt to follow him. The hon. gentleman must be in the inner councils of the government; after listening to his purely political speech one would think there must be an election just around the corner. I am not going to answer his speech but I should like to discuss the lumber situation for a few moments.

When the Prime Minister (Mr. Bennett) was in Vancouver in January he attended a meeting held under the auspices of the board of trade, and made a very good speech before a very large gathering. Just here let me say that I am not going to touch on very many subjects. I have been in the lumber business all my life, however, and a good deal has been said in this house in regard to lumber both by those who do know and those who do not know about it. During the course of his remarks the Prime Minister complimented the lumber industry of British Columbia for setting up an all time record of lumber exports during 1933. I do not accuse the Prime Minister of having made a misstatement; I believe he misunderstood the statement that was handed to him by someone, but I want to give the correct

figures. In 1929 our exports of lumber from the dominion totalled 1,696,110,000 feet, valued at $47,663,849, or about $28 per thousand. In 1933 the total exports of lumber from Canada amounted to 619,675,000 feet, valued at about $11,098,675, or roughly $18 per thousand feet. That is the picture; in 1929 we expected about three times as much as we expected in 1933. No doubt some of the Prime Minister's friends told him we had made an all time record in that year.

Here is another feature of the situation. In 1933 we exported something over 313,000,000 feet to Great Britain and 306,000,000 feet to other countries. For the 313,000,000 feet we received $5,341,000; for the smaller amount of 306,000,000 feet we received a larger return, $5,757,000. Those are the actual figures; there is nothing political about that.

My hon. friend from Cariboo has left the chamber; I am sorry, because I am just coming to something that might be of interest to him. The hon. member for Shelburne-Yarmouth (Mr. Ralston) gave this house some interesting figures on April 23, appearing at page 2437 of Hansard, which proved beyond a doubt that while our lumber exports to Great Britain have increased we have lost a great deal of business in the way of exports to the United States. Let me give the house the lumber shipments from British Columbia to the United States for the years 1929 to 1933 inclusive:

	Feet
1929	654,701,000
1930	579,390,000
1931	308,422,000
1932	101,484,000
1933	35,000,000

Later I will attempt to show why, in my opinion, our exports to the United States have fallen off. Now let me give the house the total shipments of timber from British Columbia to the United Kingdom for the same period:

	Feet
1929	69,903,655
1930	98,037,621
1931	81,356,058
1932	108,314,682
1933	270,208,051

You will notice, Mr. Speaker, that it is quite true that our exports to Great Britain have increased, but in proportion our exports to the United States have decreased very much more. To-day we are still over 300,000,000 feet short of taking up the slack of the loss of the United States market alone, to say nothing of the terrific shrinkage in the Canadian market. During 1933 our total production was fifty-two per cent of the production of 1929. They tell us that in British Columbia the lumber business is booming, but that was how the production of 1933 compared with 1929, and the average sale price in 1929 was $21.50 per thousand feet, while in 1933 it was $13.50. I do not know why, but they say that in British Columbia the lumber business is prospering. No one in Canada would be better pleased than I if that were the case, because I am financially interested, but since I have come to Ottawa in 1930 we have done very little business in lumber. An analysis shows that the Canadian market absorbed 690,831,000 less feet of our lumber in 1933 than in 1929, and that the United States took 551,500,000 less feet in 1933 than in 1929. I notice that the hon. member for Cariboo has left the chamber; he might be interested.

Speaking in this chamber on October 26, 1932, I made the statement that in my opinion the lumber business in Canada would not get back to anything like normal conditions until we got back into the United States market. For years the Pacific coast states have been asking for a higher rate of duty or tax on Canadian lumber going into the United States, but until 1932 they could not get Washington to act. During 1931 and 1932 a very strong lobby movement was engineered by the Pacific coast states to raise the tariff or put a tax on Canadian lumber imports into that country, and finally the argument was advanced that through her imperial conference treaties Canada was raising her tariffs against the United States, through preferences granted to other countries. Let me quote some of the statements which were made in Washington in support of the proposed increase in the tariff or tax on Canadian lumber. The Pacific coast lobbyists made a very strong move for the imposition of extra tax, or duty, whichever you choose to call it. As evidence of the points I have made I shall read from the proceedings before the Senate finance committee on the Revenue Act of 1932. I quote from the evidence of Mr. W. B. Greeley, Secretary and Manager of the West Coast Lumber Association. At page 636 of the evidence I find the following:

Mr. Greeley: What has happened, Senator Couzens, is that with the tariff and shrinkage in our home consumption, as I mentioned, with a corresponding shrinkage in our export business because of depreciated currency difficulties, and the preferential tariffs that have to-day

practically shut us out of the British empire and all its dominions, and because of the foreign regulations and quotas that have shut us completely out of France, our industry is prostrated.

Senator Couzens: So those are the real reasons that you are asking this to-day?

Mr. Greeley: Those are reasons, Senator, and the real primary reason is that seventy-five per cent of our men are unemployed. Now, when you consider the communities in which these men lived, it is a very critical situation.

Senator Gore: You have no way of telling why these preferential rates were granted and the quotas cut to keep out our stuff?

In other words, lumber.

Mr. Greeley: Oh, I know the common reason that is given, or the reason that is commonly cited is that it was in retaliation against us in this country. I am no expert on those subjects, but I do know, so far as our tariff is concerned, there are no tariffs that keep a single pound of foreign wood pulp production out of the United States.

On the other hand, we are in a position where their preferential tariffs benefit them and they shut us out. And while our friends in British Columbia are steadily increasing their exporting business, and are running their mills at capacity, we are shut off from the export business and have a shrinkage in our home market which has just reached a point where the industry is going to pieces.

Senator Thomas (Idaho): Mr. Greeley, is Russia a competitor here?

Mr. Greeley: In a mild way, Senator. They range from a maximum of 70,000,000 feet to about 14,000,000 feet in 1931, which is not, of course, an important quantity. The Russian imports of pulpwood, however, have been a very substantial factor at one time or another, and a very serious threat to our pulpwood industry.

Senator Gore: Does Canada get preferential rates in England under this new tariff?

Mr. Greeley: Yes, ten per cent.

Senator Gore: When did that go into effect?

Mr. Greeley: It went into effect on the 1st of March. The trade agreement between Canada and Australia levied a preferential tariff against America of twenty shillings per thousand feet. This is on rough lumber. That has been operating almost a year, and has kept the American lumber out of the Australian market. And the same thing is happening in Great Britain and in Africa. In other words, we have had this double burden: This shrinkage in our home market, and this competition in our home market from British Columbia. We have had a very rapid loss in our domestic market.

Then, at page 642 of the proceedings under the Revenue Act of 1932 Senator Greeley made this statement:

The preferential tariffs within the British empire, are rapidly closing many important former markets to American lumber. The trade agreement between Australia and Canada made effective nearly a year ago, gives the Canadian lumber exporter a preference of twenty shillings per thousand board feet on the usual Douglas fir items, and has largely shut out American lumber from this market. South Africa gives Canadian lumber a preferential tariff of three per cent; Great Britain a preferential tariff of ten per cent, with every indication that it will be materially increased in pursuance of the British empire trade policy. American lumber exports to Great Britain have already shrunk materially; and that market will hereafter be practically closed to our saw mills.

At page 665 of the same proceedings, Mr. R. M. Ingram, secretary and sales manager of the E. C. Miller Cedar Lumber Company, of Aberdeen, Washington, stated:

On Grays harbour we market exports, intercoastal and rail. Our export markets are practically gone because of British empire preferentials in Australia, New Zealand, England and import tariffs into Canada. Japan has been lost because of the difference in exchange, France because of quotas and embargos. Our intercoastal business is fast being superceded, what little there is left, by Canadian lumber and shingles.

The following statement made by Mr. C. C. Sheppard, of the Southern Pine Association, is taken from page 11202 of the Congressional Record:

Whereas the lumber industry of the United States is now operating at approximately 20 per cent of capacity, and with the many communities in the south dependent entirely upon the saw mills, thousands of families are undergoing extreme hardship and privation because of the forced curtailment of lumber production; and

Whereas Canadian trade agreements with Australia, South Africa, England, Ireland and Scotland, preferential duties of other countries and the general depreciation of foreign currency have practically eliminated the exportation of lumber by the United States to countries which heretofore have consumed tremendous quantities; and

Whereas, with only the domestic markets remaining, and these being on an extremely subnormal basis of consumption, the lumber manufacturers are forced with the dumpage of surplusage by Canadian producers, who are protected by higher prices in British-controlled territories, and with the importations of lumber produced in Russia from confiscated timber with convict or forced labour.

Page 11278 of the Congressional Record contains the following statement by Senator Jones from Washington:

The lumber industry of the United States is now operating at approximately 20 per cent of its capacity. The object of this amendment is to provide an equalization of competitive conditions for the American forest industry. It has been stated, and I assume that it is true, that Canadian trade agreements with Australia, South Africa, England, Ireland and Scotland provide for preferential duties over other countries, and the general depreciation of foreign currencies has practically eliminated the exportation of lumber by the United States to countries which heretofore have consumed tremendous quantities.

At page 11287 Senator Nye said:

One of the arguments advanced as a reason for a tariff on Canadian lumber is the preferential tariff agreements between Canada and Australia and the United Kingdom, which it is alleged shut the domestic exporter out of the Australia and English markets.

Those arguments, Mr. Speaker, were used in Washington at the time of the lobbying for an additional tax on Canadian lumber, and at a time when the lobbyists knew that the conference agreements had not been finally completed. The preference on lumber had been agreed upon in March but was to be confirmed later by treaty. I made the statement in 1932, and I make it again now, that while we of course received some benefits in the British market from those agreements, in my judgment we lost very much more in other markets which we had been enjoying for practically a lifetime.

My hon. friend from East Algoma (Mr. Nicholson), speaking in the house on May 7, attempted to justify the lumber agreement as arrived at in Ottawa at the time of the conference in 1932. My candid opinion is, Mr. Speaker, that my hon. friend and his associates have up to date suffered more financial loss in connection with these same treaties than any other lumber firm in Canada, through having the American market closed to their business. However, one cannot help but admire the wonderful loyalty displayed by my hon. friend to his political party in supporting these agreements, when he and others who happen to be familiar with the situation know that he is talking against his own financial interest just to keep in line with and support his own party; and when giving figures in connection with lumber shipments, he does not give the whole story. My hon. friend who is considered the expert on lumber from the government side may be a good lumberman or may not, but we all agree that he is loyal to his party.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. MUNN: Before the house rose at six o'clock I had discussed the lumber situation at some length, and there are just a few more words I wish to say in connection with it.

For many years the lumber operators in Washington, Oregon and California had lobbied for a duty on lumber from Canada. That was prior to 1932, when they were finally successful in having $3 excise imposed. The farmers in the middle west objected; they said, "No; if you put a tax on British Columbia lumber it means that we in the middle west and consumers in the east will have to pay more for it". In my arguments before six o'clock I gave conclusively the reason why the United States government finally consented to impose an excise tax of $3 per thousand on lumber from this country, and that was a blow to the Canadian lumber industry from which in my opinion we shall not recover until we get back that market.

I am one of those who take up little of the time of this house. I believe that if a man has anything to say he should say it and get through as quickly as possible. Now, I have not much more to say and I am going to say it quickly. As a business man, I say that some of the legislation that has been passed in this house by this government is half baked. Last session the sugar tax was half baked legislation. In the first place, if the government wanted to put a tax on sugar, one cent a pound would have been reasonable; that would have been common sense. Instead they put on a tax of two cents and for some reason or other—I do not blame the Minister of Finance at all—there must have been a leak somewhere and that leak cost the taxpayers of this country four or five million dollars. That did not accrue to the benefit of consumer or producer but to the benefit of the profiteer, and that is what I call half baked legislation. I am glad to see that the Minister of Finance has decided this year to reduce the duty to one cent a pound. I would urge however that instead of having that reduction come into effect on the first of July it should take effect on the first of June. Our people in British Columbia are pretty well through with the canning business before the first of July, and if the reduction were put into effect on the earlier date I suggest it would help not only my friends but the friends of hon. gentlemen opposite and everybody else as well. In my riding in North Vancouver there is a small jam factory at Gibson's Landing. Let me show what happened last year. Their total turnover for the year 1933 was $17,437. That was in a community of settlers who grow fruit to good advantage, but having no market they conceived the idea of a cooperative cannery for the production of jam. The farmers' wives and girls pick the berries and help to make them into jam. On that total turnover of $17,437 they paid this half baked tax of two cents a pound on sugar, or $2,320, and a sales tax of $1,046, representing a total tax of $3,366. Now that is out of all proportion; there is no

rhyme or reason why a tax to that extent should be levied on such a small operation. The result was that after allowing the growers 4¾ cents per pound for their berries delivered at the cannery, the factory sustained a total loss for the year of $314.

Then take the proposed gold tax. I do not want to be personal, but that also is a half baked tax, and anyone who stopped to think would know that had it been carried into effect as proposed many thousands would have been added to the ranks of the unemployed. As regards mines in which there are high grade ores, they should pay an ample profits tax; but, I say, hands off the others, or you put them out of business. I am glad to know that the Minister of Finance has changed the original proposal which was absolutely unfair; it could not have been considered by people who are practical in that line.

Just a word now about the railway situation. I am one of those who have faith in the Canadian National Railways. The Canadian Pacific Railway has done a good deal for Canada but it has been well paid for it. I am not going to say who is to blame for the situation as it is at the present time, but in my opinion, to-day, we have in the Canadian National Railways a wonderful property, and all it requires is a square deal as compared with the Canadian Pacific. There is no reason in the world why this government or anybody else should get behind the Canadian Pacific Railway and guarantee its bonds, any more than they should for some private company that I might be interested in. As I say, the Canadian Pacific has done a good deal for Canada but it has been well paid for it. The shareholders of that company deserve no more sympathy for losing their money than I deserve if I lose money in my own business, or if any other hon. member interested in some business loses his money. I do not know why it is, but there seems to be in this house an air of friendship towards the Canadian Pacific Railway. It may be that a good many hon. members have stock in the Canadian Pacific, but they should forget that in the interests of Canada. The country has its money in the Canadian National Railways, and those railways should get a square deal as compared with the Canadian Pacific and vice versa.

I have on the order paper a resolution which I should like to read. I do not know whether it will be in order for me to mention it, but it is so far down on the order paper that it will not come up for discussion later in the session. In that resolution there is something which in my opinion is worthy of consideration, and to conclude my remarks, with your consent, Mr. Speaker, I will read the resolution, which relates to the capital structure of the Canadian National Railways. It reads:

> Whereas, the attention of this house has been drawn by the royal commission to inquire into railways and transportation in Canada to the urgent necessity which exists for an early consideration of the capital structure of the Canadian railways (vide section 84-87 of that report), and
>
> Whereas, that commission recognized that a very substantial part of the money invested in the railways comprised within the Canadian National system must be regarded as lost and that its capital liabilities should be heavily written down although the said royal commission did not deem the time opportune when making the said royal report to deal with this important matter but suggested that the same receive early consideration by the board of trustees, and
>
> Whereas, a board of trustees has been appointed by the government:
>
> Therefore be it resolved, that, in the opinion of this house, it is of vital importance that the attention of the board of trustees of the Canadian National Railways be directed to this matter and that this house deems it highly desirable that the said board of trustees shall consider this question and report thereon with the least possible delay as being of vital and primary importance in the intersts of all concerned.

Mr. SPEAKER: I would call the hon. member's attention to the fact that the resolution he has just read is not now under discussion. It is on the order paper for discussion at some future time.

Mr. MUNN: I just want to say this, Mr. Speaker—

Mr. SPEAKER: The hon. member may want to say it, but whether under the rules he has the right to do so is a different thing. He is not in order in discussing that resolution now.

Mr. MUNN: I am not going to discuss the resolution, but I want to say this: I am not one of those who believe that when you write off a liability you are getting rid of it; you still have it. If I were taking charge of a business and it were capitalized for more than it was worth, as manager of that business before taking charge I would want to have the capital assets written down.

I sympathize with this or any other government that is carrying on at a time like this. We are passing through very difficult times and have many serious problems ahead of us. The cost of government in Canada, municipal, provincial and federal, is entirely too high; we are spending too much money for government in all lines of activity. Further, we are paying interest at too high a rate.

Other countries have converted their loans to a lower rate of interest and we in Canada should do the same thing. I do not believe in repudiation, but the situation is similar to that where a man in business makes up his mind that he can pay his creditors only so much on the dollar; it is better to take that than to lose all.

Then we have the unemployment situation, and many other problems, but one that worries me is that of the position of the young people who are growing up. I have not heard anything from government speakers which would indicate that any encouragement is to be given to these boys and girls in the way of work. There are many thousands of Canadian young people fourteen, sixteen, and eighteen years old and up and there is nothing for them to do. That is one problem in connection with which the government might do something. In British Columbia and other parts of Canada reforestation plans might be carried out; this is being done in the United States, and we might follow their example.

I had not intended speaking on the budget but I heard so much about the lumber situation that I thought I would give the house my angle of it. I have given positive figures aside from politics. If there are any lumbermen in Canada who have suffered, I am one of them.

Mr. DUFF: Under a Tory government.

Mr. MUNN: Yes. The hon. member for Cariboo stated that since this government came into power the fruit growers and the dairy people in British Columbia have prospered. If there can be found a prosperous fruit grower or dairy farmer in British Columbia I should like to shake hands with him.

Mr. W. CHESTER S. McLURE (Queens): Mr. Speaker, before I proceed with my remarks on the budget I wish with my first words to convey to the Minister of Finance (Mr. Rhodes) my sincere sympathy in his recent sad bereavement.

A short time ago we had delivered to us a budget speech, and in my view, after listening to the debate arising thereon, there seemed to be just two lines of thought in the minds and utterances of the different speakers. The government speakers carry us up into a new dawn of commercial progress, while those of the opposition, with the very same text, desire to drag us down into the valley of humiliation. The vitally important thought, however, as expressed in the budget speech of the Minister of Finance, was the fact that the country is now well advanced on the high road of economic recovery, and I am happy to say that this is borne out by facts, figures and present day conditions as they exist throughout Canada. The official opposition, on the negative side of the budget, seem to think nothing has improved, and take objection to the budget in all its different phases. It is, of course, the duty of the opposition to criticize; criticism when it is constructive and reasonable in parliamentary debate is part of our democratic form of government; but if we are to judge from the form of criticism displayed by the authorized critic of the Liberal opposition, the hon. member for Shelburne-Yarmouth (Mr. Ralston), it is nothing more than a partisan, fault finding preamble such as has been delivered on more than one occasion in this chamber; in fact, it might be termed the sequel to the obstructionist tactics displayed in the house in order that the relief measure might not pass. The kind of criticism thus far directed against the budget is of no help to Canada's financial standing; neither can I see how it can be much of a political ballyhoo for the Liberal party.

It would be a long task to review the different speeches that have been made by opposition speakers on the budget, but the line of criticism was definitely set out by the authorized critic, the hon. member for Shelburne-Yarmouth. They have outraged every phase of the budget, but what they are opposing is a budget speech that was remarkable not only for the manner of its presentation but for what it contained for this country. It is of such vast extent and vital importance to the dominion, and comprises so many topics that seem to create consternation among the opposition, that one even hesitates to enter the debate at this time.

Following the introduction of the budget speech the hon. member for Shelburne-Yarmouth in a lengthy speech, made a very strong and bitter condemnation of the government. As I have said, it would be difficult to follow that speech throughout, but having listened to it and read it again I wish to make just one criticism of it: his speech might be well sized up as a political, partisan, dramatic extravaganza on an immensely stirring, thought-provoking subject like the budget. He presented his terrific broadside in the form of an ironic last act speech with the idea of making the house and Hansard readers believe this country was going to pieces—and you can believe it or not. The hon. gentleman's remarks and criticisms throughout did

not add anything to the reputation for intelligence and vision of a political party over which it is his supreme desire to preside. Time will not permit me to follow in detail the remarks of the hon. member, but there are some points in his criticism to which I desire to call attention.

For instance there were some things that the hon. member shied clear of, whether consciously or unconsciously. At page 2427 of Hansard he twits the Minister of Finance with regard to his budget speech, especially his estimate last year of a surplus, which turned out to be a deficit. From that he branches off and criticizes the Prime Minister (Mr. Bennett) with regard to previous budgets. But I should like to point out to the hon. member that especially in times like these it is difficult to estimate exactly for a budget, as trade conditions are by no means normal. I might remind him that there have been other occasions on which estimates did not work out exactly. I would draw to his attention an estimate of his own government of the expenditure for the Montreal bridge—the hon. member was a minister of the crown at that time. They budgeted for an expenditure of eight or nine millions, but as a matter of fact the cost was nineteen millions and more. But there is this difference between the two deficits; the present government knows how the deficit last year occurred, but in the case of the Montreal bridge nobody knows where the extra ten or eleven million dollars went, unless the opposition themselves know. The public would certainly like to know.

Mr. DUFF: Page Mr. Pitfield.

Mr. McLURE: He may be in Newfoundland eating kippers. Again at page 2427 the hon. member for Shelburne-Yarmouth, dealing with debt and interest, gives a statement concerning the public debt, and then states that the increase in the interest payable by the people of this country amounts to $2.50 per head, and that the interest load which has been put upon the people since this government took office is practically $25,000,000 per year. He states that under the Liberal regime they had surpluses, and repeats the statement from the famous Dunning budget speech that Canada had a surplus of $257,000,000 between the years 1925 and 1930. I am reminded that in appealing to the electors during the campaign of 1930 that was one of their stock arguments. Let us see the story of this $257,000,000 reduction of debt which they claim. The Liberal government received during that time $45,000,000 from repayment of loans and $102,000,000 interest on bank deposits and investments, making a total of $147,000,000 which came due and which certainly applied on debt—what else was there to do with it? Then there was a further $110,000,000 that they also claim they paid in reduction of debt. This came out of taxes. Why should it not have gone to reduction of debt? I might ask why they did not reduce it considerably more, in view of the large amounts of taxes they took from the people at that time. During the six years from 1925 to 1930 inclusive I find that the taxes collected by the Liberal government were in round figures as follows:

1925	$293,000,000
1926	328,000,000
1927	347,000,000
1928	365,000,000
1929	394,000,000
1930	375,000,000

Making a total of over $2,100,000,000 in those six years. If we compute this on the systems the hon. member for Shelburne-Yarmouth used, instead of being $2.50 per head it amounts to $210 per head of taxes collected from the people to pay for the Liberal government's program of extravagance during those years.

Then the opposition critic veers away from the budget to preelection promises, and goes back to the campaign of 1930. When he refers to those campaign speeches and promises I should like to remind him that the government in which he was a minister came into power in 1921 pledged to reduce taxation. But what do we find? Instead of a reduction in taxation they increased taxes; they took from the people of this country more than $100,000,000 additional in taxes annually. Yet the opposition critic was a minister in that government; so I think he has no reason to talk about election promises.

The hon. gentleman attempted to show by a long parade of figures that debt and interest were increased by the Conservative party, and on page 2428 made what apparently he considered a conclusive argument. Referring to the Minister of Finance he said: "My hon. friend may say that this government's position is due to railway deficits." Then he proceeds:

> Let me remind him that during the Liberal administration current deficits on railways were paid out of revenue, and were not added to the public debt.

This is new, and worth looking into. I am rather glad the hon. member mentioned these railway deficits, because as I indicated at the beginning I did not intend to correct all his

misstatements but only to add a few facts which the hon. member had omitted from his remarks. From time to time the hon. member for Shelburne-Yarmouth as well as the hon. member for Kenora-Rainy River (Mr. Heenan) and many other hon. members of the opposition have criticized this government and the Minister of Railways with regard to the railway problem, always blaming it on this party. It would have been just as well to leave out of this budget debate that supposedly telling argument. We know that the railway extravagance authorized by the Liberal government from 1922 to 1930 was tremendous. The railways were run purely as a political machine for the Liberal party, and railway construction and various other schemes cost the country over half a billion dollars, so that to-day we are saddled with heavy interest payments. These have been met and are being met by this government, and the credit of our country has been maintained at a high level.

Then from time to time the opposition criticize us with regard to the increase in taxation. The answer is that this is the result of the extravagance of the late government, and is necessary to pay their bills and the interest on the debts they created. We are taxed perhaps more than we should be to meet these requirements. But we might refer to some of their expenditures in connection with railways just to show that the opposition critic might have left this question out of the debate. Perhaps the most extravagant year of all was 1929; that might be termed their pork barrel year for election expenditures. Perhaps we shall be better able to appreciate the Canadian National railway problem if we look at the expenditures made by the Liberal government and consider a few of the things the hon. member for Shelburne-Yarmouth omitted to mention, to show that the administration of which he was a member had no idea of how to finance. You might say that they had no more idea of the finances of this country or of the proper way to protect the public treasury than you would expect from a bunch of drunken sailors. I might quote the words of the Vancouver Sun of October 3, 1932, which, speaking of a Liberal ex-minister, had this to say:

> He is an accessory before the fact in the economic ruination of this country.

Yes, my hon. friend the opposition critic neglected to say that the government of which he was a member placed an annual interest burden on the taxpayers of Canada amounting to many millions of dollars, and that the greater part of the $57,000,000 that we must pay annually in interest on railway bonds is the result of the mismanagement of the present Liberal opposition. Let me contrast for a moment the political interference of the two governments in regard to railway matters. There has been absolutely no interference by the present government in the administration of the Canadian National Railways, but I do not think we could say the same thing with regard to the Liberal government. In support of that statement I would refer to paragraphs 61, 142, 143 and 154 of the Duff report. There you will read of the political interference under the Liberal government, when legitimate expenditures were ignored and the officials were forced to squander the money of the people in order to keep the political Liberal machine going in high gear. Let me read a part of section 154 of the Duff report, which says:

> It is impossible to avoid the conclusion that the directors and management of the Canadian National were amenable to public influences and pressure which it would have been in the public interests to have withstood.

This portion of section 154 is well written; it is in good English, but translated into the vernacular of the day it simply means, "The Canadian National was run as a political machine for the Liberal party," and my hon. friend from Shelburne-Yarmouth was a minister of the crown in the government of that day.

Let us go a little further with regard to this railway extravagance. In 1929 they bought at tremendous cost fourteen million railway ties which, if laid end to end, would extend several times across Canada. I wish I had time to say more about these railway ties, but this was only one of the many reckless expenditures that were made. Sections 149 and 154 of the Duff report contain a severe indictment of the political expenditures made by hon. gentlemen opposite. In 1929 their committals cost the taxpayers of this country $270,000,000; in addition, the ordinary annual supplies for 1929 cost $132,000,000, and in that year they also purchased branch lines costing over $40,000,000. These branch lines were bankrupt; they never had paid and never would pay, and I doubt if their operating income would be sufficient to pay the interest charges. Then we had the Montreal terminals committal, to say nothing of the hotel and steamship undertakings.

I have heard Liberals, both on public platforms and in this house, endeavour to blame the railway management for this waste of public money, but the fact stands out like

a sore thumb that the contract of the general manager expired on April 4, 1928, and was not renewed until September, 1929. The clear inference is that a club was held over his head and that if he wanted his contract renewed these extravagant expenditures had to be made in order to assist the progress of the Liberal political machine.

Now for a moment I should like to deal with salaries and wages. Hon. gentlemen opposite have said that under this government labourers have not been receiving fair wages. Let us see whether the labourer was protected under the Liberal regime, or whether they looked after the high salaried man. We had one man drawing a salary of $157,000 annually, with another man in the railway receiving $62,000. He was the director of expenditures; he had to see that the money went to the proper channels. Then another agent of the same bunch who was employed in London received $25,000 annually, and there were many other salaries ranging from $20,000 to $30,000. These are the people who, after paying these terrible salaries, say that at present the labourer is not receiving his just desserts.

The government made other wild expenditures. I would like to remind the financial critic that they paid $110,000 annually for club dues and fees. It would seem that the whole government were playing golf or that they belonged to all the clubs throughout the country. Under the present government all these extravagances have been cut out; no one can point to any expenditures of the kind that went on for several years under the Liberal government. Then there are one or two other salaries I should like to mention, one being that of a stenographer or private secretary who received $22,000. Do hon. members suppose that the Liberal party and the hon. member who acts as the financial critic for the opposition did not know anything about that? We will admit that $22,000 was a very good salary. Again, a policeman who strutted his stuff all over the country and was accommodated with a private car received a salary of $15,000. The cost of the private car in which he travelled, including attendants, amounted to an additional $35,000 annually. Under those conditions who would object to being a policeman in the employ of the Canadian National Railways when that system operated under the Liberal government? To indicate that the late government did not look after the interests of ordinary labouring men may I say that in those days ninety-six people were receiving salaries of over $10,000, and many more were receiving salaries of over $5,000. This condition, I am happy to say, has been corrected by the present administration.

In those days they had all kinds of inspectors. For instance, in my own city of Charlottetown the railways had six or seven inspectors visit the city in one week. There was an inspector of spikes and bolts, another of oils and greases, another of safety-first devices, and several other inspectors attending to other minor details. All this work could have been done by one man. They had a good time, putting up at the best hotels and playing golf from morning till night at the expense of the Canadian National Railways. I believe that if the official financial critic of the opposition had looked into these details he would not have made the statements he did with regard to the Canadian National Railways; certainly he would not have said that they paid their deficits out of earnings. In fact it ill behooves the hon. gentleman, as an ex-minister of the crown, to jumble or to juggle figures with regard to these matters when, as a matter of fact, the government of which he formed a part were responsible for the greater part of the debt and interest of the Canadian National Railways.

Directing his remarks to the Minister of Finance, and speaking about trade conditions, the hon. member is quoted at page 2432 of Hansard as follows:

> He does not seem to realize that perhaps the most important thing in this country is trade.

He stated further that trade had developed through its own natural channels. Surely, Mr. Speaker, the hon. member must have had a twinge of conscience when he made that remark, because it is not so very long ago that he was one of those hon. members who voted against the conference trade agreements with the British Empire. Dame Rumour has it that he has been severely censured by people in the maritimes for his action in this connection. Again, at page 2432 of Hansard he takes another wallop at the trade agreements when he uses the following language:

> The fact of the matter is that any increase in trade between Canada and the Mother Country has been due to natural and economic causes.

I wonder if the hon. member will deny that the Ottawa trade agreements have developed a substantial expansion in Canada's empire trade. Liberal members will have to take back a good deal of what they said regarding the trade agreements. Their success

has been a great disappointment to the Liberal opposition, and they will have to take a back flop in regard to many of their utterances in that regard. They wanted to destroy the Ottawa conference; they did not want it to be held. They have said that if elected they would destroy these trade agreements. I doubt it; I do not believe they will ever have the chance, but if they do, I suggest they would not dare destroy what has now built up in Great Britain a great market for our agricultural products.

It might be well to remind hon. members of the Liberal attitude towards the empire trade agreements. They dubbed the spirit of the Ottawa conference "economic imperialism" and "enlarged economic isolation," and declared that from the Liberal point of view economic imperialism and economic nationalism are both wrong. They further declared that Canada, as a great exporting country, must organize its trade relations on a world wide scale, and that anything less than this would be a denial of our birthright. I wonder how the Liberal party, its leaders and some if its partisan press will explain these astonishing utterances in face of the trade developments of the last year which have resulted from imperial conference agreements.

I could go on and quote from many speeches made by Liberal members outlining their objections to the empire treaties. The only conclusion at which we can arrive is, inevitably, that if the Liberal party had been in power the agreements would never have materialized. The advantages and benefits of the Ottawa trade agreements have been set forth and are known to all hon. members. In these days, when we are advancing along the highway to recovery, the empire agreements are of vital importance. Let me at this point mention some of the results.

I shall not go into details in regard to the lumber trade, because that phase of the matter has been covered. I will state briefly, however, that lumber movement has been stimulated by the United Kingdom-Canada trade pact, and last year's trade was the heaviest which had been known for several decades. The export trade through the port of Halifax has increased by over fifty per cent since the treaties came into effect. A revival in trade is very much in evidence in connection with apples, farm products and steel products. Let me mention, further, the possibilities in the bacon industry brought about by the advantages given in the treaties. The sure demand for Canadian bacon is bound to react more and more favourably on the domestic market. There never were more favourable prospects in the history of the bacon industry from the days of confederation down to the present time.

Again, the opposition critic severely criticizes the tariff policy of this government; but let us see what this government have done. They found when they came into office that during the Liberal regime Canada for a considerable period had been buying more than she had been selling; that Canada, in other words, had been a dumping ground for the surplus products of other countries, and the policy of the present government was to overcome that state of affairs. That they did by passing what is known as the dumping duty legislation. Instead of closing all our Canadian industries by its policies, as the Liberal government had done, this government protected our Canadian people and Canadian labour and Canadian industries.

The government has also been criticized by the opposition because it would not support the Russian soviet government plan. The Canadian government placed an embargo on the importation of Russian coal, Russian pulpwood, Russian asbestos and Russian manufactured furs. Will any hon. member of the opposition dare say that these embargoes against Russian products were not in the best interests of the Canadian people?

I cannot understand how the hon. member for Shelburne-Yarmouth and the opposition generally can continue to endeavour to mislead the public on the Ottawa conference treaty agreements, put perhaps it is only natural in their case because as they squint at the present and future, blinded by their own past record, they will always have a very poor idea of the present and of the future progress of this country.

Again, on page 2428 of Hansard, the opposition critic puts in what he again thinks is a stop argument when he says, "Someone else may say that the debt is due to relief." He had this question of relief very much on his mind. He goes back again to the election campaign, refers to unemployment in 1930, rehashes many of the campaign speeches about relief, talks about unemployment, quotes figures, and then proceeds to blame this government for the unemployment conditions which he charges have been brought about by government policy.

But let us look for a moment at the policy of the hon. gentleman and his government with respect to unemployment, and then contrast it with the policy of this government.

If you look over the conditions for the past ten years or more, or if you go back even further, you will find that from 1914 to 1920 prices and wages advanced very rapidly, with the prices of commodities perhaps holding the lead. There is no doubt that the peak of both prices and wages was reached in 1920. The decline of employment began in 1921, when the number of unemployed began steadily to increase. By the end of June 1921 there were, according to the statistics, over 100,000 unemployed in Canada, 2,000,000 in Great Britain and 6,000,000 in the United States. In the year 1921 there was available for the relief of unemployment in Canada $6,000,000, and the federal government aided the provinces and municipalities in all cases. That sum of money was spent by the federal government to feed, clothe and comfort the unemployed of Canada. Then in 1922 the Liberal government came into power and what was their policy with regard to unemployment?

Mr. MICHAEL LUCHKOVICH (Vegreville): Mr. Speaker, in their opposition to the Farmer-Labour subamendment the opposition have made another faux pas, but of that more anon. It appears that the hon. member for Vancouver Centre (Mr. Mackenzie) was so convincing in debating the point of order raised by the subamendment that he may even persuade the Speaker to give the opposition's amendment a similar ride.

It was apparent, from the discernible apathy manifested by this house when the budget was brought down on April 18, that there would be no radical departure from the beaten path or from the course the government has followed for the past three years. Nobody expected anything else but a deflation budget, and a deflation budget it turned out to be. Outside of a few reductions here and there the traditional government policy of retrenchment and rigid economy has been strictly adhered to, while any desire to sail into uncharted seas, to seek new remedies, to live dangerously in order to live, has been frowned upon by the Conservative party which would preserve the present system simply by lopping off its mouldering branches.

The depression, sir, we still have with us, and the government's policies remain the same. The government still continues to try to borrow itself out of debt and to cure unemployment and falling prices and afford relief by the flotation of new loans. In other words, it still continues to try to pull itself up by its bootstraps, which as everybody knows simply cannot be done. When one looks to the other side of the house for a solution all one gets is a lot of heat instead of light. As an example I shall refer to the rather unaccountable opposition of the hon. member for Vancouver Centre to the Farmer-Labour subamendment.

Paradoxically enough the Liberals this session have out-conservatived the Conservatives and out-reactionaried the reactionaries. I shall leave the psychological analysis of this phenomenon to more scientific minds than my own. For the time being suffice it to say that the events of the past few months have more than borne out my contention. Pick up any magazine or newspaper in Canada to-day and you will read about it, or ask reporters and they will tell you about it, and it will not be long before Ripley will caricature this anomalous state of affairs in his "Believe it or Not" column. Indeed before very long I am afraid that both parties would be called the new Canadian Siamese twins, were it not for the legislation which the government has brought down in regard to marketing. If you do not believe that, sir, look at the columns of the Liberal wet nurse, the Ottawa Citizen. She ought to know, and after the way she has slapped the wrists of her nurslings I should have thought they would get wise to this, but as the poet says, where ignorance is bliss 'tis folly to be wise. If they still persist in running around in short pants and diapers instead of long pants, that is their business. If they have not yet learned that Queen Victoria is dead this debate will prove futile and will avail us absolutely nothing. And if Daddy King still persists in feeding his political children on the sour milk of liberty, how can you, sir, expect them to grow into healthy minded Canadians, with a healthy minded aspect of things and of life? I should prefer the raw meat which the Prime Minister (Mr. Bennett) feeds the brood on the other side of the house, even if it is not according to Hoyle. But the "Hush ye, hush ye, don't ye fret ye or the Black Bennett will get ye" attitude of the leader of the opposition (Mr. Mackenzie King) is the only type of food which the laissez-faire weaklings on this side of the house are getting from their well meaning but very unwise political foster father. It is no wonder this lack of proper food has produced such barren results in this and other debates.

Take their amendment. It was moved by the hon. member for Shelburne-Yarmouth

(Mr. Ralston) and seconded by the hon. member for Vancouver Centre (Mr. Mackenzie) that:

This house regrets that the proposals of the Minister of Finance give no indication of the intention of the government to abandon the policies of economic nationalism which have proved so disastrous to Canada's trade.

It is of the opinion that the immediate substitution therefor of policies which will promote export trade throughout the world is essential to any permanent improvement of conditions in Canada, and to the successful application of other policies respecting credit and employment designed to effect this end.

Listening to the debates on the relief and the marketing bills I could not help feeling, as I said the other day, that the constitutional mountain had laboured very hard to produce an argument only to give birth to a squeaking little constitutional mouse. But in this motion I hardly know what the object has turned out to be. The opposition wants something, but what that something is has not been made very clear in the amendment. Of course, they will not prescribe until they are called in; but the party that expects to run this country after the next general election must give the country some definite intimation as to what its policy is going to be. It is like the advice which the young man gave his friend in respect of the fair sex, "Tell them nothing and treat them rough"; and the government is being subjected to the full letter of this prescription, but the country is made no happier or wiser thereby.

They demand that protective barriers be taken down; but have they practised when in power what they have preached when out of power? They want credit facilities to be extended; but have they done this when in power or are they willing to do it when they get back into power? Listen to the Liberal nursemaid in its issue of May 1, 1934:

There should be a general election in Canada this year, but it is hard to discover any reason for turning out one conservative party to put in another. At the present time, as Colonel J. L. Ralston's speech on the budget disclosed, there is no genuine political difference between the parties. The government side is in the position of being the more enterprising. Even Mr. Woodsworth is describing the government's measure for the control of marketing as "one of the most advanced pieces of legislation ever drawn in Canada."

In this amendment the opposition have hitched their political waggon to the free trade star; but what has the Liberal nursemaid to say in this regard?

Dissertations on the iniquities of the Canadian tariff seem, as of old, intended to lead the electorate in agricultural constituencies to

believe that the Liberals are next time really going to march boldly forward to freer trade. No statements of policy by Liberal authorities in the house, however, would warrant any such pretence on the part of tariff doctrinaires at national headquarters. It is nothing but the old, old story.

With the abandonment of free trade in Great Britain, the national recovery experiment in the United States and various degrees of economic nationalism in every other country, the prospects of anything like free trade in Canada are more remote than ever. Nor do the Liberal expounders of tariff politics show how lowering the Canadian tariff would lead Canada out of recurring periods of trade depression and unemployment.

As Lloyd George says, "whether under tariffs on under free trade, plenty has produced universal poverty." The economic system under which Great Britain worked before returning to tariffs, as well as the economic system of high protection has been shown up by the world crisis to be a pretentious fraud which has robbed humanity of its fair share of the good things which science has produced in abundance for the benefit of mankind.

The fraud in Canada is to pretend that there is any fundamental difference in the tariff of the parties. Premier Bennett's visit to Washington a year ago, as well as statements in the house, have indicated that the Conservatives are ready to explore the possibilities of reciprocity with the United States as well as the Liberals. Something more is due from party leaders in the next election campaign than again to go over the barren ground of tariff politics, but it is difficult to discover signs of any effective challenge coming from the opposition side.

The article then goes on to show how much alike both parties are in this house, and how similar their attitude is on reciprocity, internationalism, the League of Nations, peace, good will and the beatitudes, high finance, deflation, drastic economy, balanced budgets, increased production—before the war—favourable balance of trade, the gold standard and sound money. It then concludes:

A real issue between political parties would be to set up national sovereignty over the nation's money by throwing over even the pretence of gold. It is probable that this issue will eventually divide parties, separating the Conservatives and Liberals in both parties. The possibility of any such real division in Canadian politics may seem remote, but leadership is coming in other countries away from the gold mentality—nowhere more significantly than in the United Kingdom. There may be many battles to be fought before the golden rule has taken the place of the rule of gold, but there are signs that gold's fraudulent front is crumbling.

It should be the opportunity of Liberalism to lead political democracy through the breach into better living conditions, from artificial scarcity into the enjoyment of an age of abundance. Fascism has come in other countries only because of Liberalism's failure.

When people vote Conservative, they have no right to expect anything else but conservative administration. When they vote Liberal they are surely entitled to forward leadership away from the Conservative position. It will behoove the Canadian people to examine the record of the Liberals before the next election to decide whether they can expect any such leadership, either from Mackenzie King or anyone else in the party. Without placing the onus entirely on the present Liberal leader—he is as advanced as other Liberals—without making invidious comparisons, there is no sign of an adventurous Liberal crusading spirit in Canada.

With expenditures in this country greater than revenue and a net debt on all accounts of $135,200,000, we are far from being out of the economic woods, and there is no prospect of our ever getting out unless parliament takes control of the national credit as suggested by the Farmer-Labour sub-amendment so as to:

Provide sufficient purchasing power to enable our people to "loosen their belts," and to take full advantage, as consumers, of their ability to produce;

Raise the price of agricultural products and other primary commodities to an equitable level in relation to the cost of production, the price of manufactured goods, and the settlement of outstanding liabilities, public and private;

Provide employment of a character that will add to the national wealth, and under conditions that will assure an adequate standard of living;

Create an increased volume of business which will permit the collection of sufficient revenue by our various governments, municipal, provincial and federal, to meet their necessary expenditures.

Hon. members will gather from this sub-amendment, which the hon. member for Vancouver Centre was instrumental in having ruled out of order, that it stresses purchasing power and also price levels. So far as the primary producer is concerned, the farmer's troubles are threefold: his is a buying, a selling and a credit problem and so the success of his enterprise depends upon these three elements, the failure of any one of which would destroy his whole cooperative effort.

What is the greatest problem of the farmer to-day? He must exchange his goods for other goods and services and receive enough to enable him to buy other goods and services to cover the cost of production and other expenses incidental to farming, and also to maintain a fair standard of living. There is no way in which this standard can be determined unless it be by his ability to exchange his products for goods that he might use and enjoy. We have solved our selling problem and we are now beginning to explore the buying problem. Notwithstanding what has been said about our selling pools, I think they have attained a fair amount of efficiency. We are asking for a credit system that will function on behalf of producers and not exclusively for a few financiers and shareholders. Therefore, not only must the farmer buy and sell cooperatively but parliament must have sovereignty over national credit. The greatest problem of the farmer to-day, as I see it, is not a high price for wheat; it is what he can buy with his dollar when he gets it. For paradoxically enough, two dollars may be a low price while fifty cents might be a high one; it all depends on how much in the way of other goods and services he can purchase for the money. With manufactured goods still at a very high level, fifty cents is too low a price, but if they were to drop to the pre-war level, two dollars would certainly be an exorbitant price. All the farmer wants is a fair return for his labour. But this he will never get under a system which allows one industry to charge high prices and another one to charge low prices. There must be some balance between the industries in this country; otherwise the economic structure is bound to topple over.

In this regard nothing could be more timely than the revision of our financial system, an investigation into price spreads and the present marketing bill before the house. I am in agreement with those members who have already said that there must be a general scaling down of the monetary obligations of the farmers, for anything less than this will mean the ruination of the farming industry in Canada. I am therefore very much surprised to see how lightly the matter of interest rates has been taken by the house. Allow me to give hon. members some concrete examples. Not so long ago three financial bills, which I might as well call three little wolves in sheeps' clothing, sneaked into this house in the shape of proposed corporations, their names being the Discount and Loan Corporation of Canada, the Small Loan Company of Canada, and the Personal Finance Corporation. Instead of their being thrown out, the milk of parliamentary human kindness has been extended to them and they almost found a permanent kennel in the statutes of Canada had it not been for the action of the Prime Minister in holding them in leash for further consideration. All these bills are similar in principle; they would nullify the three great financial bulwarks of Canada—the Interest Act, which permits a limit of five per cent; the Moneylenders' Act, which permits a limit of twelve per cent, and the Loan Companies Act, which forbids loans

on certain securities; and this in order to allow these companies to carry on loan shark business in this country.

All of these bills, as I have said, are similar in principle and therefore my remarks on one alone, that is Bill No. 15, the Small Loan Company bill, may be considered as applying to the other two. It seems that Bill No. 15 has had more lives than a cat. I thought it was dead, as it certainly should have been, and duly interred with a proper parliamentary monumental epitaph to mark the passing of what otherwise might have been an actual statute of Canada, and a very notorious one at that. It reminds me of the story of the man they could not hang, only in that case the man was innocent while this bill certainly deserves to be killed. It is like a weed; no matter how you try to dispose of it, the thing keeps popping up all over the place. The only saving grace about it is its stubbornness, a certain persistence that would do credit to a nobler cause. In view of the fact that this is supposed to be a year of great activity in parliament in regard to financial matters, and also that we have before the house certain legislation respecting the Bank Act and monetary reform, I cannot for the life of me understand how this bill was ever allowed by the committee on banking and commerce to pass the committee stage. If the committee allowed this rotten bill, as I might call it, to pass, then heaven help the bank revision and heaven help the central bank bill as well as any other pending legislation that was supposed to assist the Canadian people in getting out of the depression in which they now find themselves. Might I ask: Whom is this piratical bill supposed to benefit, and what good is it going to do in lessening the suffering of the Canadian people in this terrible time of stress?

I understand that someone in the committee twitted my colleague about not being able to legislate people into heaven and that he very pointedly retorted: "Not into heaven, but nothing will legislate them into hell quicker than this bill." Upon an analysis of the various clauses in the bill I do not see how the average mortal is ever going to escape from the various tentacles that most certainly will envelop him once he is foolish enough to get caught in this bill, which I consider to be a trap to catch the unwary. It may be said that the prospective debtor knows what he is up against when he negotiates a loan under the provisions of the bill, but that certainly does not excuse this house from allowing him either wittingly or unwittingly to get into the clutches of the money sharks who are behind this proposed legislation. I therefore think parliament would make a very good start along the line of reformative and clean-up, constructive legislation by throwing the thing into the parliamentary debris and other rotten refuse instead of giving it a place of honour among decent pieces of legislation. The sponsors of these bills would have us believe that there is a bright side to the proposed legislation in that it would render a certain service. But this shining brightness in my opinion is superficial and illusory serving only to hide the dross underneath. I cannot help recalling an incident in my boyhood days that left an indelible impression on my mind. We were bathing on a sandy beach near Atlantic city when we saw a fish thrown out on the shore by a great wave. Try as it would to flop back into the water it could not, so it slowly died on the unaccustomed terrestrial domain. Some children playing nearby picked it up and threw it back into the ocean. Next evening we all went bathing again, when to our surprise there was this very same dead fish lying on the sand. It was one of those beautiful, rare, calm and warm evenings in June:

> Then, if ever, come perfect days;
> Then heaven tries earth if it be in tune,
> And over it softly her warm ear lays;
> Whether we look, or whether we listen,
> We hear earth murmur, or see it glisten.

Well, we heard life murmur, but as far as this fish was concerned all it did was to glisten. A full moon shone on a cloudless and windless night. As its beams fell directly upon this dead creature of the sea they were reflected from its scales in multicoloured brilliance. The sight momentarily rooted us to the spot; then as we gradually drew nearer to the object from which it emanated and finally got near enough to pick it up, the offensive odour arising therefrom proved equal in intensity to its exterior brilliance. This happened about fourteen years ago. In my last years of high school I ran across a passage in which the orator berated a brilliant but corrupt man for something that he had done, in castigation of whom the remark was made that while the person in question was a man of brilliant parts he nevertheless was utterly corrupt; his whole action was likened to a dead mackerel cast ashore in the moonlight, shiny but smelly, brilliant but rotten. The name of the orator has escaped my memory but the picture has never been forgotten. Comparing that incident with the proposal made by the

bill to which I have referred, I might point out that while outwardly the bill may appear all right, a thorough examination of its contents will show how really rotten it is. With all its brilliant exterior but offensive odour it has once more turned up in this house to worry hon. members and haunt their peace of mind. Frankly speaking, to me the whole thing is so offensive that it would only pollute our statute books to give it a place therein. Indeed, sir, were this legislation to pass I am afraid that turning to the page where this bill might be found in the 1934 statute book might be detrimental to the health of the prospective investigator.

An attempt has been made to throw a halo around this bill by referring to the illustrious names of the directors of the company. However, it seems to me that if they are as illustrious as they are described they would think twice before putting their money into a company of this kind. Why do they not invest it in government bonds, for instance? It would not matter whether the president were St. Peter, the secretary St. John and the general manager St. Paul, and all the rest of the evangelists, the board of directors, the obnoxious nature of the various provisions of this bill, the usurious practices that certainly would prevail if the company ever got a charter to do business in Canada, would still be reason enough to sound its deathknell. Oh for another saviour to chase the moneylenders out of the temple again! Let us hope in this regard that the Prime Minister turns out to be another messiah. It is beyond my intelligence sir, to understand why this fishy bill has been trotted out again to nauseate the house, when its only virtue in my estimation is a certain outward appearance that lends it a false respectability—the bright surface to hide a rotten interior; an honest face to camouflage a deceitful nature. I suppose the Dr. Jekyll brilliance has so overhelmed the sponsors of this and other bills and the protagonists thereof that they failed to notice the Hyde hideousness lurking among the provisions of the proposed legislation. But they might have taken some warning from the vigorous opposition of the hon. member for York-Sunbury (Mr. Hanson); for when a man so conservative turns his forceful eloquence against the dubious provisions of this bill I think it is high time for the house to wake up to the seriousness of what is involved therein.

Let us pause for a moment and see what this bill asks us to do—

Mr. SPEAKER: May I ask the hon. member what bill he is referring to?

Mr. LUCHKOVICH: I am referring to a bill introduced in this house not long ago, the Small Loan Company bill, and two others, which are still before the house.

Mr. SPEAKER: They have nothing to do with the motion now under consideration.

Mr. LUCHKOVICH: I am mentioning these bills in order to show that the matter of interest rates is very important in this country. We are dealing with it in the committee on the Bank Act, the central bank bill and other legislation that is supposed to get us out of this depression. There is a great demand throughout the whole country for a reduction in interest rates. Not so long ago three bills almost passed through this house which would have enabled these companies to charge ten or fifteen or twenty, yes, even thirty per cent, without a word of dissent from either side of the house.

Mr. SPEAKER: At the present time these bills are not before the house, and it is not open to the hon. member to discuss them. The motion before the house is that the Speaker do now leave the chair for the house to resolve itself again into committee of ways and means, and the proposed amendment thereto of the hon. member for Shelburne-Yarmouth. That has nothing whatever to do with the bills the hon. member is discussing, which have already been dealt with by the house. The hon. member should have said what he had to say with regard to these bills when they were before the house for consideration. I would also call the hon. member's attention to the fact that he must not read his speech.

Mr. LUCHKOVICH: Only the quotations, sir. I should like to deal with the debt question, but as my time is limited I shall postpone my comments in that regard until the Bank Act and other financial legislation is before the house.

Mr. W. W. KENNEDY (Winnipeg South Centre): It is my intention on this occasion, Mr. Speaker, not to traverse the budget in detail, but to confine my remarks largely to one matter in the hope that thereby I may more emphatically direct the attention of the house and the country thereto, a matter of outstanding national importance to Canada both now and in the years that lie before us.

I refer, sir, to Canada's future in the air. Before developing that subject, however, I wish to refer briefly to certain features of the budget speech so ably presented in this house by the Minister of Finance (Mr. Rhodes).

That Canada is definitely emerging from the depression is strikingly indicated by many indices. I refer you, Mr. Speaker, to the records placed on Hansard, notably by the Minister of Finance and the Minister of Trade and Commerce (Mr. Stevens). To repeat them would serve no useful purpose to-night, but I wish to add the record of registrations throughout Canada of new passenger cars and particularly new commercial trucks during the first three months of this year. The registrations throughout Canada for the months of January, February and March of this year of new passenger cars as compared with the same three months of last year were as follows:

	1934	1933	Per cent Increase	Per cent Decrease
British Columbia	808	329	145.5	....
Alberta	609	332	83.4	....
Saskatchewan	215	115	87	....
Manitoba	337	196	71.9	....
Ontario	6,097	4,145	47.1	....
Quebec	929	996	....	6.7
New Brunswick	47	60	....	21.7
Nova Scotia	179	218	....	17.9

It should be explained, I think, that the decrease in the provinces of Quebec, New Brunswick and Nova Scotia is due to heavy snow conditions this spring, bad weather and bad roads. The net result, however, is that over the whole dominion, for the first three months of this year, the registration of new passenger cars, as an index of returning better times, shows that this year 9,221 cars were registered as against 6,391 last year, a net increase of 44·3 per cent.

Even a better index is the registration of commercial trucks. For the same provinces and for the same three months the figures are as follows:

	1934	1933	Per cent Increase	Per cent Decrease
British Columbia	273	105	160	....
Alberta	162	38	326.3	....
Saskatchewan	23	6	283.3	....
Manitoba	63	21	200	....
Ontario	913	485	88.2	....
Quebec	98	123	....	20.3
New Brunswick	9	14	....	35.7
Nova Scotia	69	32	115.6	....

For the whole dominion the registrations of new commercial trucks totalled 1,610 as against 824 last year, or a net increase of 95·4 per cent. There is one other index I should like to register. The registrations for the month of April, which has just closed, are available for the cities of Toronto and Montreal, and they show these remarkable results: This year in Toronto, in the month of April, there were registered 1,628 new passenger cars as against 755 last year, an increase of 215·8 per cent. This year there were 163 new trucks registered as against 43 last year, an increase of 379 per cent. In the city of Montreal in April of this year 1,089 new passenger cars were registered as against 713 last year, an increase of 128·1 per cent. Trucks were about the same this year as last.

Now I should like to give one example in regard to employment; I refer to the General Motors plant at Oshawa. At the end of April of this year three thousand employees were working in that plant; at the end of April of last year there were 1,900 employed. On January 1 of this year there were 2,100 employed.

In the face of such facts, Mr. Speaker, who will say that better days have not already dawned? In many respects the crisis of the past four years is comparable to the crisis of 1914-18. It has lasted for four years. We have been fighting with our backs to the wall. The resources of the whole country have been mobilized to meet the situation, and it has been met with the same high courage by all classes of our people, particularly by the rank and file on whom the chief burden always falls whether in time of peace or in time of war.

Another point worthy of comment, sir, is the fact that Canada's credit both at home

and abroad still ranks high; in fact there is none higher. This standing is not the result of mere chance; it is founded on two essentials, first the sterling character of our citizenry and second the nature of the leadership they have had. When the Bank of England ceased paying in gold, world financial institutions were rocked to their foundations, but drawing upon the traditions of the past and upon the strength which is intermingled in our blood, Canada stood firm. Again, when the United States issued an order closing all banks, in Canada the order of the day was "business as usual." Not a bank was closed. Canada's credit and the strength of her institutions stood out in those days like a beacon set upon a hill. Again this was not mere chance. All sorts of panaceas were offered, among them the suggestion that in view of exchange rates and certain general world conditions Canada should default upon her international obligations. That she did not do so is due in no small degree to the type of leadership she has had; I refer particularly to the Prime Minister of Canada (Mr. Bennett) and his associates in the government. Theirs has been a leadership inspired by the character of our people. The stand was taken that default on international obligations was unthinkable, and to such vision, such action and such wisdom, Canada owes much. Already that is being recognized, but the wisdom of that action will become increasingly apparent in the years that are to come.

More important than bank balances is the matter of credit, either individually, nationally or internationally. What has this meant to Canada, sir; what will it mean? To-day Canada is regarded as the safest field for investment. We are a young country, sparse in population but rich in tradition and confident as to our future. The adjustment of domestic obligations, whether as to principal or interest or both, well may be made and in fact should be made, but in our international relations there has been no default and there should be no default. If honourable adjustments can be made in regard to international obligations then let us make them, but if not let Canada meet her obligations according to the letter of the contract.

The impelling reasons are practical as well as moral. To repudiate would destroy our international credit; to fulfil our obligations will set Canada's credit high. Any temporary benefit that might come from repudiation would be fleeting, but to fulfil our contracts will pay dividends throughout the years to come. This is not fantasy but fact.

Coming from Montreal the other evening en route to Ottawa I held conversation with a resident of the city of New York who has prominent business connections in that city. He volunteered this statement, "The United States has been watching Canada. We recognize, to an extent we have never recognized before, the standing of her credit, the strength and virility of her people and her institutions. When our banks tottered yours stood firm. When burdened with almost insuperable difficulties the words of your Prime Minister to the world were: 'Canada will keep her contracts.' The result is that prosperity will be forced upon you. I mean that the benefits which will flow to you from your stand will follow as naturally as day follows night. Our investments will come to Canada for her development because with all our experiments, the people of the United States are panicky. They look to Canada as the best and surest bet."

These days of depression experienced in the last four years are surely not without avail. There has been a reorientation of thought. Ideas heretofore considered too radical are now considered normal, when humanity is placed before money. It is now recognized that in our national set-up for the future provision must be made through planned insurance to take care of the sick, the helpless and the unemployed.

During these times what has been the contribution of the official opposition? Is it not opportune to ask what the contribution of the official opposition has been towards the solution of our difficulties? Any point of view put forward by myself as a supporter of the government is naturally subject to the discount of partyism. But let us examine the facts. Has the attitude of the official opposition been one of helpfulness? Has it been constructive or subversive? Let me refer to an indictment which recently appeared in the Ottawa Citizen, a newspaper which supports hon. members opposite. This article appeared in the editorial column in the issue of April 25, 1934, under the caption Negative Opposition, and is as follows:

> There is nothing easier in Canadian politics than to sit on the opposition side in judgment of the government. The greatest opportunity for criticism is provided by the budget speech of the Minister of Finance. It is an opportunity also, however, for the leading financial critic to show where the opposition has any more hopeful policy to put forward. Never before in any Canadian parliament have there been such opportunities as in the years since 1930, but this official opposition has been more conservative than the government. It is simply

a negative factor in parliament, offering neither light nor leadership in Canada's most critical period of economic readjustment.

It is, of course, possible to put forward excuses for the negation of Liberalism in this parliament. In the emergency session before Premier Bennett went to London in 1930, the Liberals could take the position that they would refrain from doing anything to retard the government's effort to deal with the unemployment situation. In the following session, they had the excuse of allowing Premier Bennett to demonstrate the futility of high tariff barriers in Canada. In the session of 1932, the opposition could continue to put forward nothing, by saying that the government would be allowed to go into the imperial economic conference with a free hand.

Last year, similarly, while the government looked to the world economic conference in London to provide the way out, the opposition had nothing better to offer. This session there is no such excuse, but Colonel J. L. Ralston's speech on the budget last Monday afternoon made it clear that the opposition sterility is due to something more than tactics; it is a state of political barrenness. The light of Liberalism is flickering so feebly on the opposition side, it is quite liable to go out altogether when the Liberals come back into office.

But, sir, we are rising above our difficulties. Surely it is time to move forward. Having held the line against all assaults, having withstood the impact of dire need and discouragement and having maintained an unbroken front, the time is opportune to move forward. Let me suggest to the government the importance of leading the way by immediate action by carrying out its tentative program of work, thereby giving employment to those who have held the line with such courage and high resolve, and replace this utter weariness and sickness of heart with hope and optimism.

I come now to Canada's future in the air. With what prophetic vision did Tennyson forecast the development which is upon us and to which I now refer:

> For I dipt into the future, far as human eye could see,
> Saw the vision of the world, and all the wonder that would be;
>
> Saw the heavens fill with commerce, argosies of magic sails,
> Pilots of the purple twilight, dropping down with costly bales;
>
> Heard the heavens fill with shouting, and there rain'd a ghastly dew
> From the nations' airy navies grappling in the central blue.

It is all there, commerce and the emergency of war. Canada's future is inexorably bound up with the development of air routes.

At once, let me set up a background of fact, the reality of which can readily be demonstrated, against which to cast the shadows of things to come.

Flying is as yet a relatively new arm of our transportation system. Our people have not yet become air minded.

Mr. SANDERSON: I rise to a point of order. Your Honour has already ruled tonight that hon. members are not permitted to read their speeches. I think the hon. member now speaking should not do so.

Mr. QUINN: How often do you read your speeches?

Mr. KENNEDY (Winnipeg): I am quoting considerably, and I admit that I am keeping rather closely to my notes, but only to save time and for the sake of accuracy.

Mr. SPEAKER: The point is well taken by the hon. member. When the Speaker's attention is called to the fact that an hon. member is reading his speech it should come to an end. I may say the practice of reading speeches has been followed too often in this house, although the Speaker's attention has not frequently been called to it.

Mr. KENNEDY (Winnipeg): I have some figures to which I should like to refer.

Mr. COOTE: As the Minister of Finance reads his speech, I do not see that there could be any objection.

Mr. KENNEDY (Winnipeg): It is but a little over thirty years since the first aeroplane flight was accomplished when Orville Wright made history by his flight in North Carolina in December, 1903. Little progress was made until after the commencement of the war in 1914, so that we might reasonably say that the aeroplane has been in use little more than twenty years.

While on the subject of early flights we should not forget to do honour to two Canadians who figure in these records, namely Mr. F. W. "Casey" Baldwin, now a member of the Nova Scotia legislative assembly, and Mr. J. A. D. McCurdy, now a resident of Montreal. Baldwin made a flight at Hammondsfort, New York, on March 12, 1908. McCurdy made a flight over Baddeck Bay in the famous "Silver Dart" on February 23, 1909, Sir Elliott V. Roe made the first flight in the British empire in England on January 8, 1908, it being an Englishman who made the first flight in the British Empire; a Canadian Baldwin, was the second in the British Empire and the first Canadian to fly. McCurdy was the first Canadian to fly in Canada.

It is a happy coincidence that on February 23 last, exactly twenty-five years after the

first aeroplane flight in Canada, the Minister of National Defence (Mr. Sutherland) presented publicly at Toronto the first comprehensive outline of a national aviation policy expressed by any minister of the crown in Canada.

It gives me pleasure to congratulate the minister upon his definition of government policy. In paying tribute to the Minister of National Defence as the one charged under the Aeronautics Act with the development of flying from the standpoint of federal government control, I am not unmindful that his predecessor, the present sitting member for Shelburne-Yarmouth (Mr. Ralston) then Minister of National Defence, was also seized with the importance of air service to this dominion and worked hard for its establishment. I am happy therefore on this occasion to extend my congratulations to the member for Shelburne-Yarmouth and "to render unto Caesar the things which are Caesar's."

On August 4, 1914, there were 272 aeroplanes available to the British army; at the time of the armistice, after thousands had been destroyed, worn out or become obsolete there were 22,171. In August, 1914, there had been less than 250 officers in this new service; in November, 1918, there were more than 30,000. In this almost incredible story of British achievement, Canadians played a tremendous part; by the end of the war one-third of the officers in the Royal Air Force were Canadians. Canada's share, individually and collectively, was out of all proportion to her population. May we not ask:

> Does still the breed run true?
> Does still upflame the ancient fire?

Echoing back there comes the answer of Canada's war pilots. A comparison of the number of aeroplanes destroyed by the four leading pilots of various nations forcibly demonstrates the high rank attained by Canadians. The four leading Canadian pilots destroyed 230 enemy planes; other British pilots, 192; French, 214; German, 246. Next to the number of enemy planes destroyed by the four leading German pilots came the Canadian pilots, and I think it is only fitting that I should put on record their names: Bishop, Collishaw, Barker and MacLaren; Bishop, with his 72; Fonck, the leading French pilot, with 75; McCudden, the British pilot, with 54; Richthofen, with 80. And remember, sir, that these were boys whose faces still bore the soft and tender curves of youth which the stress of later years eradicates, but the memory of which mothers carry always in their hearts.

It was not chance that wrote these results into history. The innate initiative of our Canadian youth, their environment backed by tradition, made such results possible.

Let us now consider Canada's position in commercial air routes. To realize Canada's unique position in that regard, certain misconceptions as to distances must be at once corrected—misconceptions arising from our use of Mercator's projection in the matter of map making, which distorts areas in ratio according to their distances from the equator, Greenland, for instance, appearing almost as large as Africa. To get a correct conception of air route distances you must measure them on a globe.

In considering this matter it is fundamental that we should bear in mind that time has always been and always will be a prime factor in commercial development—in gaining trade and in holding it.

The shortest international air route from the chief centres of Europe to the Orient lies across Canada, passing over Newfoundland, north of the St. Lawrence, over Cochrane, Ontario, over Winnipeg, the Yukon, Alaska, and down the east coast of Asia to China and Japan. Now mails go from Europe to the orient by the eastern route, but when our airways are developed and we have a north Atlantic system the air mail of Europe going to the orient will travel over Canada.

It is in the northern hemisphere that the great trade routes running from east to west find the long overland stages. At the latitude of Montreal, about three-quarters of the distance around the world is overland. The desirability of land for landings, forced or otherwise is obvious.

So we realize—or do we realize—that if we take Chicago, for instance, as the industrial centre of North America, the startling fact is disclosed that the shortest routes from the centres of industrial Europe and Asia, to the centre of industrial North America, lie through, or over, Canadian territory? In other words, starting say at the Rhine valley, a great circle route would continue on through France, Belgium, England, Northern Ireland, the straits of Belle Isle, the St. Lawrence river valley, through Montreal and on to Chicago—the important fact being that this route lies actually north of the St. Lawrence.

Again, let us not forget that history emphatically tells us that the flow of trade and commerce has always followed the shortest

feasible routes. In this great circle route, Newfoundland occupies an important strategic position. Recognizing that fact, a determined effort was made by American interests through Pan American Airways to acquire vested and exclusive landing rights in Newfoundland for a period of fifty years, in consideration of substantial money payments. The agreement had been negotiated and was ready for signatures when the present government of Canada and the British Government, watchful of the situation, intervened, the results of which intervention were to safeguard for Canada and for the British Empire this important trade route that might otherwise have passed into foreign hands. This action was taken at the Airway Conference in Newfoundland in July of last year. The signifiance of that conference will, I think, in due time be better understood.

Turn now to the orient. The shortest route from Chicago to Tokyo passes through Winnipeg, northern Alberta, down the Mackenzie river, through the Yukon and Alaska and on by the northeast coast of Asia to Japan. Planes from the Pacific seaports of the United States to either China or Japan will find that their shortest feasible route will be over Canadian territory, passing through British Columbia, through the Yukon, at White Horse, over Alaska and on to Tokyo and Pekin. Again recognizing these facts, American interests have endeavoured to secure landing rights on Canadian soil along these routes, but again these routes have been preserved to Canada.

Whether, therefore, of our own volition or otherwise, we in Canada are going to find ourselves participating in important intercontinental air routes of the future. The significance of these facts will not be lost on this House of Commons. Canada must zealously maintain her sovereignty over all air routes which lie through or across Canada.

What would be Canada's position in the event of war? Aircraft must be regarded primarily as servants of commerce; yet our air transport system, while conceived for and serving commerce first, must take due cognizance of the possibilities of national emergencies. The only adequate defence against aircraft is aircraft. Without an adequate aircraft industry we would find ourselves in a hopeless position in the event of a national emergency.

To-night it is not my purpose to develop further the importance to Canada of the development of her air routes in the eventuality of war, other than to state that no good purpose can be served either in the interests of national development or in the interests of world peace by emulating the ostrich and burying our heads in the sand, or by crying "peace, peace" when there is no peace.

It is important to look, sir, to what the other nations are doing. At this juncture we might well refresh our minds on the progress being made by other countries in the establishment and maintenance of regular air services:

In Great Britain, external as well as internal interests are being served by airways. Imperial Airways Limited operates two main empire trunk lines; one is from Croydon to Capetown, a distance of 7,945 miles, and the other is from Croydon to Singapore, 8,646 miles. This route will shortly be extended to Australia. The company is now operating a fleet of forty air liners and is doing a steadily increasing business, showing gains in every year but one, in total traffic ton miles. Figures for the past fiscal year show 2,100,000 ton miles as compared with 600,000 in 1928.

Under direction of M. Pierre Cot, the French Air Minister, the government of France has supported the amalgamation of five of the largest companies into one organization known as L'Air France, with a capital of 120,000,000 francs. In addition to a network of lines over Europe, a weekly service is maintained between Paris and Saigon, in French Indo-China. A service across the south Atlantic is projected.

The Deutsche Luft Hansa, which is Germany's national air line, also maintains a network of airways over Europe, resembling on a map a great cobweb, Germany itself being more extensively covered than any other country.

From Amsterdam, the K.L.M. Royal Dutch Air Lines operates the world's longest airway to Batavia in the Dutch East Indies, as well as other air lines in Europe.

Italy has six important air line companies at work, and their routes cover not only Italy but stretch out to Berlin in the north, to Barcelona in the west, to Constantinople in the east, and to Tripoli in the south.

Austria, Belgium, Czechoslovakia, Poland, Sweden, Switzerland, Denmark, are all relatively well to the front with air lines. Russia, of whom we have little authentic information, is known to have important trunk lines in operation, employing a fleet of large air liners.

Probably the greatest advance in commercial flying has taken place in the United States, and being a near neighbour we have more than passing interest in this progress. Internal interests are served mainly by three transcontinental lines. There are 19,500 miles of fully lighted airways in operation.

Externally, United States interests are being served extensively by Pan American Airways System, whose principal routes lie over the South Americas, the total distance covered

being 26,650 miles, and 139 air liners are in use by this one company alone. Their service, based at Miami, follows the east coast of South America down to Buenos Aires, then to Santiago on the west coast, and up along the coastline to a terminus at Brownsville, Texas. Having a large trade with the South Americas, the United States has found the fast mail, express and passenger services of Pan American Airways of great value.

In this regard Britain has found the air routes of the United States into South America of significance in the diminution of her trade.

Looking at the matter in the round, the big outstanding problem in civil aviation is unquestionably the institution of a regular air service across the North Atlantic by heavier-than-air aircraft. We must give credit to Germany for the remarkable demonstrations that they have given with the Graf Zeppelin to show that a service by means of lighter-than-air aircraft is possible. We must also acknowledge the work of both the French and Germans in spanning the south Atlantic by heavier-than-air aircraft.

The end in view, however, is to join the two important areas in the northern hemisphere—Europe and North America. A great deal of attention has already been concentrated on the problem, and five methods or routes have been proposed:

1. The Arctic route via Greenland and Iceland, which is just over 5,000 miles from London to Ottawa. This route gives reasonably short stages and, therefore, would permit the carriage of a reasonable load, but it presents the very serious problem of fog and ice formation. It is an inhospitable route with very uncertain meteorological conditions, and durng the winter much of the route is a land of almost perpetual night.

2. The direct route, flying from New York or Montreal to Newfoundland, and from there to Ireland, carrying on to London, whence air services radiate to all parts of the continent. This route is 3,500 miles, including a non-stop stage from Newfoundland to Ireland of about 1,900 miles.

At present there are no aircraft in the world that can fly this stage as a regular commercial venture carrying any pay load whatever, and the object of a North Atlantic service is, of course, not merely to fly it, but to carry load by it. This route also has to face the problem of fog around Newfoundland, and possibly ice formation in that region during winter.

3. The Bermuda-Azores route, which is again about 5,000 miles, but which traverses an area of better weather and of less fog. The longest stage without the possibility of refuelling is from Bermuda to the Azores, a matter of over 2,000 miles. There again, there are no aircraft yet available that can fly this stage regularly and carry useful paying load.

4. Floating islands are proposed as intermediate refuelling points.

If a satisfactory method can be found for anchoring these islands in the Atlantic, and if they are, in fact, able to stand against the Atlantic gales, there seems no difficulty in operating a North Atlantic service with their aid, if sufficient money is forthcoming to construct and man the number of islands required. The capital expenditure that would be required for the islands seems, however, to put this method out of court, at any rate at the present time.

5. The last alternative is the employment of ships in place of the floating islands; to employ, in fact, the method adopted by the Germans for the South Atlantic service.

One would expect that it would be impossible to land a flying boat in the North Atlantic as a regular thing, even making the best possible use of the refuelling ship to form a lee. The method does not lend itself to passenger transport, however, even though the difficulty of landing in the sea close to the refuelling ship could be overcome. As you doubtless know, the method is for the flying boat to land on the sea, to taxi on to a trailing apron towed behind the steamer, and then to be lifted by a crane on to the deck of the steamer, and after being refuelled, to be catapulted for its next stage. The use of the catapult, involves, however, very rapid acceleration which would probably be entirely unsuitable for ordinary passenger transport.

It would appear, therefore, that we are faced with very considerable difficulties in the establishment of an all-air service across the North Atlantic. Nevertheless, with the progress of aeronautical science, the various obstacles to the establishment of such a service by one or another of the methods or routes outlined will in the course of time be removed. How soon progress will enable us to overcome these difficulties is a matter of opinion.

It is not enough that the distance shall be flown;—it must show a saving of time over the normal sea route, and it must do so at a cost that the traffic will bear, or at any rate will bear within a reasonable time. In the initial stages of any venture of this descrip-

tion, it may be necessary to foster the development by the grant of a subsidy.

Now, sir, what is Canada doing? What has Canada done? What should Canada do? At the present rate of progress on the trans-Canada system, there will be from coast to coast by next fall an airway on which safe landing places may be found at intervals averaging twenty-five miles. It only remains to equip this airway with lighting, radio and meteorological services, for it to be comparable in efficiency with any airway in the world. I quote from a speech of the Minister of National Defence, delivered in Toronto on February 23 last.

This work is being carried out by the Department of National Defence as an unemployment relief measure under the able and immediate direction of Major General McNaughton, chief of staff of the defence council.

Its importance is of the first rank. By this fall therefore the government will be in a position to call for tenders for better than a twenty-four hour transcontinental air mail service.

Time will not permit me to go into the present air mail services already established; they are considerable. The service from Montreal to Rimouski, put on during the period of navigation and inaugurated originally in 1928, is of threefold significance:

1. Foreign mail via New York to Montreal without air service beats the St. Lawrence route one day.

2. The Montreal-Rimouski air mail service wipes out this differential and ties the New York route. That means something to Canada.

3. With the development of a ship-to-shore service, picking up the mail at Belle Isle and flying it to Montreal, we can beat the route via New York from one to one and a half days.

Then there is the Montreal-Albany service and the Winnipeg to Pembina service, connecting with all United States lines. There are also domestic contacts to all outlying points in Canada's hinterland and to the mining areas; down the Mackenzie river to Aklavik. There are two services from Prince Albert, one to Lac la Ronge and one to Isle à la Crosse. Coming eastward we have these services: Lac du Bonnet to Wadhope and Bissett, mining areas; Sioux Lookout to Red Lake and Narrow Lake, mining area; and the Amos-Siscoe route, which is also mining.

Then there is the bush flying of our trappers, miners and prospectors out into the hinterland of Canada. In this respect these pilots to-day are doing a national service to Canada and are performing feats in flying which are second to those of the pilots of no other country. There is a winter service from Quebec to Natashquan and to Anticosti island, and a winter service from Leamington to Pelee island.

We did have an interurban air mail service in eastern Canada as well as a prairie service from Winnipeg to points in Alberta, which was discontinued owing to economic distress in 1932.

The cost of the prairie service came particularly under criticism. Certain extravagant statements were given wide publicity and should be dispelled. For example, statements were made to the effect that air mail had been costing the country $30 per letter. I find that the average cost of air mail was 47 cents per pound, a vastly different thing from $30 per letter. Even the somewhat experimental prairie run, which was cancelled, was doing better than fifty per cent of its cost. In that connection, too, one should bear in mind that the former service had no continuity. The prairie run was left up in the air at both ends with contacts only through the United States. So, too, of the eastern section.

Of outstanding significance was the experimental ship-to-shore mail services operated under the direction of the Department of National Defence and the Post Office Department during the Ottawa imperial conference of 1932. Mail was delivered from London at Ottawa in less than four days, and vice versa. A three and a half day service between Montreal and London is an immediate possibility and should be put into effect with the least possible delay.

Is not this a most logical step to take particularly following consummation of the recent trade agreements with Great Britain? Let us more firmly knit the empire with another all red route. With the inauguration of a Canadian transcontinental mail service, the ship-cum-air service across the North Atlantic would give the fastest route from Europe not only to Canada but to many parts of the United States and to the far east—and, remember, through Canada.

In commerce, speed has ever been the mandate. The air mail is the answer to this demand for speed. Weighing fully the cost against the service performed, the air mail presents economic advantages of incalculable value to the nation. As one of the leading trading nations of the world, can we afford to ignore these facts?

Shall our transcontinental air mail service be undertaken by a private company under

contract with the government, subject to essential governmental regulations and control to safeguard the public interest; or shall it be undertaken by a semi-national corporation on which the government shall have adequate representation, or shall it be undertaken as one more national enterprise? I merely point to the alternatives. But whatever the way, let it be one of planned progress, with adequate safeguards for the public weal.

We should now think of Canada as not 3,500 miles but as eighteen to twenty-four hours in width. Let us reach out and take our destined place among the nations. Opportunity is on tiptoe waiting to take off: let us give her wings.

I cannot conclude without acknowledging my debt for assistance rendered through the Department of National Defence by the minister and his able chief of staff, Major General Andrew G. McNaughton; through the Department of the Postmaster General by the minister and the officials of the air mail service branch. Particularly am I indebted for information to Mr. George M. Ross, executive secretary of the Canadian Flying Clubs' Association, who has done and is doing such splendid work in awakening and making our Canadian people air-conscious.

Out of all this welter of words, Mr. Speaker, this supreme fact overtops them all: Canada is on the Main street of the heavens. Would that I could splash it in letters of flame across the firmament! Would that it might stand out as a pillar of cloud by day and a pillar of fire by night, to lead Canada into her promised land!

Let Canada, led by her government, put her back into this development and make it possible to realize in truth and in fact the destiny envisaged in those lines:

> Wider still and wider
> Shall thy bounds be set;
> God who made thee mighty
> Make thee mightier yet.

Mr. ERRICK F. WILLIS (Souris): Mr. Speaker, for the few moments at my disposal I desire to bring to the attention of the house many matters which are of particular interest and concern to those whom I have the honour to represent. At the outset I wish to say that within the area from which I come, being the southwestern corner of Manitoba, there are very distressful conditions due to the fact that for the last four years there has been an almost entire lack of rain. No blame can be attached to lack of fertility of the soil in that area; no blame can be attached to the people who live there, about ninety-seven per cent of whom are Anglo-Saxons from Ontario, but when for four years there is no rain, there can be no crop. At one time last year it seemed as though it were going to be possible to have crops in that area, but when the crops had grown to a height of some six inches there came from the republic directly to the south of us that tremendous pest, the grasshopper. Where perhaps on one day there stood a crop luxuriant in growth, the following day there were found only thousands of spikes, being the straw which the grasshoppers had left.

When people under such conditions face distress for four years, their reserves completely vanish and they find themselves requiring relief. Similarly the municipalities within that area have been able to borrow only that which the banks would permit them to borrow; they have then gone to the province, the province has come to the dominion and through these agencies help has been given. The physical hardships of the people in that area are of course tremendous, but I should say that they are nothing compared with their mental hardships. They are a people completely unaccustomed to accepting relief; they have lived many years without having to face such situations. They are entirely worthy; they desire to be self sufficient, self supporting and self respecting. They are, however, faced with conditions which are not of their own making.

It is strange that that territory in which during the years 1924 to 1928 perhaps the best crops in Manitoba were produced, has become rainless. I believe a survey should be made to determine whether that area is facing drought merely on account of a cycle which we believe prevails in some places, or whether there are within its confines many farms which are submarginal, by which I mean lands that will not under ordinary favourable conditions produce such crops as would allow the farmer to operate at a profit. Various suggestions have been put forward, for instance that a huge corporation might be set up which would take out of cultivation some lands within drought stricken areas, whether in Manitoba or Saskatchewan, with the result of course, first, that there would not be so much grain grown and, second, that a tremendous amount of hardship would be obviated in the way of people attempting to cultivate land on which it is not possible to grow paying crops. With regard to what is known as the drought area of Manitoba I think a survey would show

that practically all those lands are capable of being farmed at a profit, because until the end of 1928 they were farmed at a good profit.

Due to conditions within that area the questions of interest and of debt are of major importance, and I am glad to note that further federal legislation is forecast under which there will be some system of debt adjustment. I should like to refer particularly to the good work being done by the present government in regard to the reduction of rates of interest on money which they borrow, with a consequent reduction in interest rates throughout the country. It is pleasing to see that treasury bills to the amount of $15,000,000 were sold by the government during March, 1934, at rates of 2·85 and 3·12 per cent, and also that in April another issue amounting to $15,000,000 was sold at rates of 2·41 and 2·71 per cent. Last year, in August, for instance, the normal rate of interest was 3·75 per cent. Through what has been done in this connection there has been created in this country a short term money market, something which we did not know existed before. The old practice of governments was to call in the banks and the various loan organizations and to give them perhaps a percentage in order to sell treasury bills. Prior to 1933 the rate varied from four and a half to five per cent where the banks made the arrangements on behalf of the Canadian people. This year, however, the method was changed and the government sold treasury bills in units of $100,000. They sent out questionnaires to all parties who they thought might be interested in buying those treasury bills. This has two effects: it will reduce the rate of interest and reduce taxation, and in addition it indicates the value which will come from the organization which we know as the central bank. It is interesting perhaps to indicate what the effect would be if we could place all our debt on the same basis. The funded debt of Canada on March 31 last was $2,858,000,000. The interest on that was $131,890,000, which indicates a rate of 4·62 per cent. If we could strike a new rate of 2·62 per cent there would be a saving of $57,000,000. There is due this year about $424,000,000 of debt. The rate thereon is 4·8 per cent, or a total interest bill of $20,484,000. If we could strike a rate there of 2·8 per cent there would be a saving of $8,484,000. That is to say, if we could borrow at the same rate at which we have borrowed now, if we could carry that rate right across, there would be a saving to Canada of many millions of dollars.

In connection with the question of conversion loans there seems to be much misapprehension with regard to the British conversion. We are often asked why Canada does not do what Great Britain did. It should be remembered that in the case of the British loan there was a clause in the contract providing that the loan should be redeemable at 100 after January 1, 1929. The issue was to run until 1947, at 5 per cent. The government refunded the loan as of December 1, 1932, at the same time offering to subscribers the right to continue their investment at 3½ per cent, which proposal was accepted by 92 per cent of the holders. There is no such clause in regard to our loans, therefore we are not able to put through a conversion on the same basis as the British people.

I wish to turn for a moment to the general question of trade. It is important to note that we have no longer an adverse balance of trade. We now have a favourable balance of $152,000,000 whereas when the previous administration went out of office there was an annual adverse balance of $127,000,000. This change is a tremendous achievement in itself. Another interesting comparison is Canada's situation in world trade in 1929 as compared with 1933. We find that during that time world trade as a whole was reduced by 68 per cent, the trade of the United States by 65 per cent and that of Canada only 62 per cent. These figures show that so far as world trade is concerned Canada has done better on the average than the world generally, and has done better than the United States, in spite of its N.R.A. and Roosevelt and all his great legislation.

Then I should like to draw attention to a question which was of particular interest to me and those whom I represent. Since this government came into power a duty of twenty-five cents a bushel was placed on corn imported into this country. I must admit that I had something to do with that duty being imposed; therefore I should like to indicate some of its effects. On March 1, 1931, when I made an address in this house in regard to the matter, we had on hand 100,000,000 bushels of barley. On March 1, 1934, according to the bureau of statistics we had on hand only 22,500,000 bushels, or less than twenty-five per cent of what we had in 1931. I do not think the question of price is a good indication, but I wish to give the prices. On March 1, 1931, the price of 3 C. W. barley in Toronto was 38 cents a bushel, on the same date in 1934 it was 54¾ cents. But I think the most important feature in that regard is in connection with the importation of corn. Whereas for the twelve months ending March 1, 1931, we

imported into this country 8,000,000 bushels to be fed to our cattle and poultry, during the year ending March 1, 1934, we imported only 3,000,000 bushels. That is to say, due to the imposition of that duty we have been importing into this country annually 5,000,000 bushels less, with the result that that market has been available to those who produce barley in this country, to the great benefit of the producer.

In connection with the duties placed by this government and the benefits of the Ottawa agreements, I should like to indicate the valuable increase we have had in exports of agricultural products in 1933 as compared with 1931. The products for which I have obtained figures are wheat, flour, oats, barley, cattle, beef, pork, bacon, ham, canned meat, poultry, eggs and butter. I have chosen these articles because they are items of importance to western Canada. In round figures the exports of these products to the United Kingdom in 1931 amounted to $81,000,000, whereas in 1933 they amounted to $99,000,000, an increase of $18,000,000 in those particular products alone. That is of some importance to the people I happen to represent.

It is often said by those who oppose us that this government is collecting too much in duties. In that connection I wish to give four different figures which I think of importance. For the fiscal year 1923, when the previous government was in power, they collected in duties $133,803,370. In 1929 they collected $200,479,505, and in 1930, $199,011,628. This year this government collected only $65,900,000, in round figures.

Then it is often said that the policy pursued by this government of keeping the home market for Canadians had the effect of increasing prices. I do not wish to quote many items, but I obtained some figures from a store in my own town selling men's and boys' wear. I got the prices of twenty-two items as of June 1, 1930, and the present time, and on every item of ordinary apparel that a working man would buy there is a decrease in the price to the consumer. I give a few items:

	Price	
	June, 1930	To-day
Cotton merino work socks..	$0 35	$0 25
Medium heavy wool work socks..	0 40	0 29
Split horsehide work gloves.	0 75	0 50
Heavy plain blue bib overalls..	2 25	1 85
Black box kip boots, medium weight..	4 50	3 40
Medium heavy jumbo knit sweaters..	3 50	2 75
Medium weight tweed caps.	1 40	1 00

The items all tell the same story. We are also told that this government has strangled trade by the tariffs which have been imposed. I desire merely to summarize statements which I might make at great length, by saying this: In regard to our trade position so far as the world is concerned, aside from the figures I have already quoted, we occupy fifth position among exporting nations where formerly we were sixth. Of course the previous government lost most of our export markets, particularly the United States where our annual agricultural exports totalled $159,000,000 when the previous government came into power, though in 1929 they had diminished to ten per cent of that amount.

I have indicated that there has been no strangulation of trade due to the Ottawa agreements but rather there has been an increase, and that the increase in agricultural exports alone has amounted to some $18,000,000. I think it is well recognized by all those who care to read the statistics of the country that the previous administration, known as the Mackenzie King administration, increased tariffs. I have indicated also that in evidence of the fact that there has been no strangulation of trade we have a favourable trade balance amounting to $152,000,000 where previously we had an adverse balance of $127,000,000. In connection with trade it is well to recall that the previous administration was represented at Imperial conferences in 1921 and 1926 at which no agreements were reached and no progress made. It is also of passing interest to note that in connection with the Ottawa agreements, out of 228 items affected the tariff was lowered on 136.

From time to time we hear a good deal in regard to unemployment and the promises made in connection therewith. The promises made by the previous administration might very well become the subject of a forty minute address, so many were there of them, particularly if one cares to take the old platform of 1919. There one will find literally dozens of promises which were never carried out by the previous administration. In regard to unemployment, however, I should like particularly to refer to the fact that during the last fiscal year 250,000 more people found employment in comparison with the previous year. One could quote various summaries to indicate that trade has been increased and is increasing all the time. In one of the famous Southam papers of May 12 I happened to notice a list of improvements in trade, as follows:

Toronto—The Ontario Paper Company this week announced a wage increase of 6½ per cent for its nearly 1,000 workers.

Fort William—Great Lakes Paper Company, Ltd., is arranging to take on about 60 more workers and to operate three shifts.

Three Rivers, Que.—Employees of three mills of Consolidated Pulp and Paper Company in this district are receiving a ten per cent wage increase, effective from May 1.

Meaford, Ont.—The Meaford Manufacturing Company, Ltd., the town's largest furniture plant, is again operating on part time after a shut-down.

Hamilton—The Canadian Keystone Products, Ltd., is moving to this city and will manufacture cleasers and water softeners.

Marysville, N.B.—Canadian Cottons, Ltd., announce a five per cent wage increase for mill hands here. Plant is operating almost full time.

St. Catharines, Ont.—The McKinnon Company here, a subsidiary of General Motors, now has 1,290 on its payroll compared with 590 last year.

Ottawa—Lumber mill of J. R. Booth Company here, is again operating after a shut-down of 3 years' duration. The company will also operate a mill at Arnprior.

East Windsor, Ont.—This town's relief roll has dropped 2,300 to 5,776 in the last year, and reductions are being made daily as employment improves.

North Bay, Ont.—About 270 men will be given employment temporarily by the T. & N.O. railway, on track maintenance work.

Toronto—Canadian Frigidaire factory here has been placed on a 24-hour production schedule.

Montreal—Six thousand persons have been taken off relief lists since February and the number of families obtaining assistance is now decreasing about 200 weekly.

These indicate, in any event, that there is a recovery going on, particularly in eastern Canada. But when we speak of unemployment it is well to remember that the question of immigration still has some bearing on the matter. I should like to quote two figures in regard to the people who were brought to this country by the previous administration. We find that in the year 1928 there were 151,597 people brought to this country; in 1929 there were 167,722 people brought here, but in 1933 we allowed only 19,872 people to enter Canada. That is quite important to remember when discussing unemployment.

Then for a moment I should like to refer to the question which Conservatives have to face every time they address an audience in this country, due to the influence of Liberal speakers and some sections of the press; I refer to the suggestion that the Conservative party stands for the big interests. I should like to point out that the financial centre of Canada is Montreal and that the financial province is Quebec. Montreal votes Liberal, and in the past the province of Quebec has been solidly Liberal. Lately it has been slightly less Liberal; we now get a small block of Conservative votes from that province. The present government has increased the corporation tax, which affects all those in this country who have money; it has increased the income tax on the higher incomes; it has increased the taxes on banks. It is bringing into existence the central bank, which is the greatest menace to the chartered banks that this country has ever seen. It has increased the taxes in regard to the carrying of newspapers, again affecting a big interest. It is said that the present government, through the measure providing for cooperation between the railways, has placed the Canadian Pacific in harness, or at least has had an influence upon it which no other government ever had. In addition this government refused to give the control of radio to the Canadian Pacific Railway Company or other private interests. Of course there is protection, even as there was under the previous government; that is for the purpose of employing labour. It seems very strange indeed, if this government is linked with the big interests, that this party got nothing out of Beauharnois while the Liberal party received $700,000.

Mr. DUPUIS: How much from the Macdonald Tobacco Company?

Mr. WILLIS: Not a cent. In addition to that, Mr. Speaker, the clauses concerning the taking over of gold by the government and the issuing of currency, contained in the Bank of Canada Act, are the greatest blows ever struck against the banks, and the very investigation to which my hon. friend just referred, the Stevens inquiry, is the most courageous step ever taken in Canada with regard to whatever hold the big interests may have upon the country. Hon. gentlemen opposite were very critical of the government in regard to the gold tax, because the government preferred to tax those who had plenty in order that they might reduce the sugar tax which is paid by those who have very little.

The people are having great difficulty in deciding where the good old Liberal party now stands. Liberalism in this country is now a stranger mixture than ever it was in the past. If you consider the government of the province of Quebec you find the most reactionary government that ever existed in Canada; and that is the criticism usually voiced by those who try to tear down the Conservative party. In addition you have Liberalism as we know it on the Pacific

coast, led by Mr. Pattullo, who is trying to set up something in the nature of a dictatorship; he is referred to as the Mussolini of that province. Then, within the inner circle of the party we have the president of the Liberal Association for Canada, Mr. Vincent Massey, who since he made a fortune from Massey-Harris implements, has retired, and is now saying that the olive branch should be handed to the Cooperative Commonwealth Federation and that the Liberal party should be more socialistic. Then, solidly against that view we have the present right hon. leader of the opposition who thinks that the Co-operative Commonwealth Federation should be wiped from the face of the globe. These are some slight difficulties with which the voters in this country are faced. The other difficulty, is, of course, that the Liberal government in the province of Saskatchewan will have nothing to do with what is known as the Progressive-Farmer movement, whereas in the neighbouring province of Manitoba it goes arm in arm with that movement. The old difficulties the Liberal party had were that they had in the west speakers who believed in free trade and in the east speakers who believed in protection. But in addition to the old difficulties there are the new ones I have enumerated, and we see others operating within the party. The result will be that when the electorate goes to the polls it will not be in a position to know whether the Liberal party stands for laissez-faire or old Liberalism, the reactionaryism of the province of Quebec, a dictatorship such as they accept in British Columbia; or whether they will follow those hon. members in this chamber who during their term of office secured high duties to protect the articles they manufactured. These are some points about which the voters will have to do some thinking. These are points which will be passed upon by them at the next election, and it is my guess that at that time the voters will decide that they had better stay with those they are sure about. They know where the Conservative party stands, and that is why I say that at the next general election they will turn again to the Conservative party.

On motion of Mr. Manion the debate was adjourned.

On motion of Mr. Bennett the house adjourned at 10.45 p.m.

Tuesday, May 15, 1934

The house met at three o'clock.

REDUCTION OF SUGAR TAX

On the orders of the day:

Right Hon. R. B. BENNETT (Prime Minister): Unexpected weather conditions in British Columbia have advanced vegetation by three weeks over normal; in fact, our advices are that there has been practically no winter there. Within the last few days fifteen carloads of strawberries have been shipped from British Columbia to Ontario markets, and this morning we were in receipt of a telegram indicating that gooseberries were now being placed on the markets of British Columbia, grown this season out of doors. Under the circumstances it is quite clear that the reduction of the sugar tax by one cent per pound would work out greatly to the disadvantage of those who have to preserve strawberries, gooseberries and other small fruits in British Columbia, and inasmuch as it is inadvisable that the law should lack in uniformity, it is proposed that the reduction of the tax by one cent per pound shall be operative from one minute after midnight on Sunday next in order to meet that situation.

MONTREAL HARBOUR COMMISSION

On the orders of the day:

Hon. FERNAND RINFRET (St. James): May I direct the attention of the Minister of Marine to an item which has appeared in the Montreal Gazette concerning work in the harbour of Montreal. It is contended that a great proportion of the work is given to outsiders, nonresident in Montreal, or having resided there only a very short period. I would ask the Minister of Marine to use his influence with the Montreal harbour commission to see that as far as possible the labour available there be distributed to the population of Montreal, who are very badly in need of it.

Hon. ALFRED DURANLEAU (Minister of Marine): I have not so far taken cognizance of the report in question but I will do so and see that whatever is possible will be done for Montreal, though I may add that the port of Montreal embraces both shores of the river St. Lawrence.

THE BUDGET

ANNUAL FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The house resumed from Monday, May 14, consideration of the motion of the Minister of Finance that Mr. Speaker do now leave the chair for the house to resolve itself again into committee of ways and means, and the amendment thereto of Mr. Ralston.

Mr. SPEAKER: Before the debate is resumed, I think it would be well to give a ruling on the question of order raised yesterday by the hon. member for Wetaskiwin (Mr. Irvine) as to whether the amendment to the motion is in order. On April 23rd, Mr. Ralston moved as an amendment to the motion of the Minister of Finance that Mr. Speaker do now leave the chair for the house to resolve itself again into committee of ways and means, the following:

This house regrets that the proposals of the Minister of Finance give no indication of the intention of the government to abandon the policies of economic nationalism which have proved so disastrous to Canada's trade. It is of the opinion that the immediate substitution therefor of policies which will promote export trade throughout the world is essential to any permanent improvement of conditions in Canada, and to the successful application of other policies respecting credit and employment designed to effect this end.

On April 30, Mr. Spencer moved a subamendment and on May 7 on a question of order raised by Mr. Mackenzie, of Vancouver Centre, as to the subamendment, I held that the subamendment was not in order as it sought to deal with the question of credit which had been debated on a motion by Mr. Lucas and the matter of credit had been by consent referred to the select standing committee on banking and commerce where it is being considered.

It is now argued that the amendment is not in order and for the same reasons as said subamendment was held to be not in order.

When this amendment was moved, there was on the order paper Bill 51 entitled, "An Act to Improve the Methods and Practices of Marketing of Natural Products in Canada and in Export Trade, and to make further provision in connection therewith." This bill was read a first time March 26 and on April 23, when this amendment was moved, was on the order paper for second reading. The bill provides for export trade and for regulating the export of goods from Canada. See the title; and paragraph (b) of subsection 4; and paragraph (f) of subsection 5 of section 5; also section 12, subsection 2.

On February 13, Mr. Woodsworth moved the following amendment to the address in reply to the speech from the throne:

That the following be added to the motion: We respectfully regret that Your Excellency's present advisers have not taken such steps as are necessary to deal adequately with unemployment, to reduce the burden imposed by the public debt, and to put the agricultural industry on a basis that will ensure the farmer a decent standard of living.

Thereupon, employment was discussed and the amendment was disposed of by the house on a division resulting in 54 yeas and 89 nays.

That amendment dealt with the question of employment generally and the amendment now before the house is to the same effect and so is not in order.

My decision is supported by the following precedents. Bourinot, page 328:

"It is, however, an ancient rule of parliament that no question or motion can be regularly offered if it is substantially the same with one on which the judgment of the house has already been expressed during the current session." The old rule of parliament reads: "That a question being once made, and carried in the affirmative or negative, cannot be questioned again, but must stand as a judgment of the house."

May, 13th edition, at page 272 says:

A matter already appointed for consideration by the house cannot be anticipated by an amendment, while a notice of motion as long as it remains upon the paper whether for a specified day or not, prevents its subject matter being discussed by means of an amendment to a motion.

Speaker's rulings on the question are reported as follows:

207 H.D. 3 s 500:

Now there is a rule of the house that when a matter has been expressly set down for consideration, no hon. member can anticipate it by raising a discussion on the subject.

308 H.D. 3 s 1755:

I must point out to the hon. member that he has introduced a bill, which is now standing on the paper for the second reading, which contains a distinct reference to the subject matter of the present motion; and, as that bill is to be brought on upon a future day, the hon. member would not be in order in moving his resolution now, as he would be anticipating the discussion upon the bill.

333 H.D. 3 s 851:

The first two amendments on the paper, the first standing in the name of the hon. member for Hoxton, and the second in that of the hon. baronet the member for Cockermouth, are out of order as amendments, inasmuch as they anticipate the discussion, one on three and the other on four bills which the house has appointed for a future day, and one of those bills, I observe, is in the name of the hon. gentleman himself. The amendment, therefore, of the hon. gentleman will be out of order as an amendment to the address.

66 Parliamentary Debates, 4 s page 923:

The subject of the hon. member's amendment to the address is relative to several bills on the order book and he will have an opportunity of submitting his views to the house when one of them comes on. He cannot now anticipate discussion on a bill which is on the order book.

The same practice has always been followed in Canada, see Bourinot, 4th edition, page 320:

An amendment cannot anticipate a notice of motion on the order paper.

In this case the amendment goes further and anticipates a bill No. 51, now being considered in committee dealing with marketing and export trade.

I therefore rule that the amendment moved by the hon. member for Shelburne-Yarmouth (Mr. Ralston) is out of order, as it is substantially the same as one on which the judgment of the house has already been expressed and it deals with matters already before the house.

Mr. RALSTON: For the reasons given in the house yesterday by the hon. member for Vancouver Centre (Mr. Mackenzie) and others on this side of the house who spoke I respectfully appeal from your ruling, Mr. Speaker.

The house divided on the question: Shall the ruling of the chair be sustained? And the ruling was sustained on the following division:

YEAS

Messrs:

Anderson (Toronto High Park)
Anderson (Halton)
Arsenault
Arthurs
Baker
Baribeau
Barrette
Beaubier
Belec
Bennett
Beynon
Bourgeois
Burns
Bury
Cahan
Carmichael
Chaplin
Charters
Cowan (Long Lake)
Davies
Dickie
Duguay
Duranleau
Edwards
Embury
Ernst
Fortin
Fraser (Cariboo)
Garland (Carleton)
Gobeil
Gordon
Guthrie
Harris
Hay
Irvine
Johnstone
Kennedy (Peace River)
Laflèche
Larue
Loucks
Lucas
Luchkovich
Macdonald (Kings)
MacInnis
MacLaren
MacNicol
McDade
McGibbon
McGillis
McGregor
Maloney
Manion
Mitchell
Moore (Chateauguay-Huntingdon)
Morand
Mullins
Myers
Perley (Qu'Appelle)
Pickel
Plunkett
Porteous
Price
Quinn
Robinson
Ross
Sauvé
Senn
Shaver
Simpson (Simcoe North)
Simpson (Algoma West)
Smith (Victoria-Carleton)
Smith (Cumberland)
Speakman
Spencer
Sproule
Stanley
Stewart (Leeds)
Stewart (Lethbridge)
Stinson
Stirling
Stitt (Nelson)
Stitt (Selkirk)
Sutherland
Swanston
Thompson (Simcoe East)
Thompson (Lanark)
Turnbull
Weir (Melfort)
White (London)
White (Mount Royal)
Willis—91.

NAYS

Messrs:

Beaubien
Bertrand
Blair
Bothwell
Boucher
Brown
Butcher
Casgrain
Chevrier
Denis
Deslauriers
Desrochers
Donnelly
Duff
Dumaine
Dupuis
Elliott
Euler
Factor
Fafard
Fiset, Sir Eugène
Fournier
Gershaw
Girouard
Goulet
Hall
Heaps
Howden
Jacobs
Jean
King, Mackenzie
Lapointe
McPhee
Motherwell
Munn
Neill
Parent
Power
Reid
Rennie
Rhéaume
Rinfret
Roberge
Sanderson
Séguin
Thauvette
Weir (Macdonald)
Young—48.

PAIRS

(The list of pairs is furnished by the chief whips.)

Messrs:

Barber
Bell (Hamilton)
Bell (St. Antoine)
Bell (St. John-Albert)
Black (Halifax)
Bowen
Bowman
Boyes
Cantley
Casselman
Cotnam
Cowan (Port Arthur)
Dorion
Dupré
Esling
Gagnon
Ganong
Geary
Gott
Hackett
Hanson (York-Sunbury)
Jones
Totzke
Mercier (St. Henri)
Raymond
Dubois
Dubuc
McKenzie (Assiniboia)
Hanson (Skeena)
Hepburn
Cardin
Howard
Hurtubise
Ilsley
Verville
Ferland
Hanbury
Boulanger
Michaud
Mercier (Laurier-Outremont)
Rutherford
Perras
Veniot
MacLean

Kennedy (Winnipeg)	McIntosh
Laurin	Fontaine
Lawson	Gray
MacDonald (Cape Breton South)	Urquhart
MacMillan (Saskatoon)	Mackenzie (Vancouver)
Matthews	Moore (Ontario)
Murphy	Stewart (Edmonton)
Nicholson	Bradette
Perley, Sir George	Marcil
Pettit	Bouchard
Rhodes	Ralston
Rowe	Lacroix
Ryerson	Taylor
Short	Heenan
Smoke	Pouliot
Spankie	Ahearn
Spence	Fraser (Northumberland)
Spotton	MacMillan (Mackenzie)
Stevens	Malcolm
Sullivan	Brasset
Tummon	St-Père
Wilson	Vallance
Wright	Golding.

Mr. SMOKE: I was paired with the hon. member for Témiscouata (Mr. Pouliot). Had I voted I would have voted to sustain the Speaker's ruling.

Mr. RYERSON: I was paired with the hon. member for Norfolk-Elgin (Mr. Taylor). Had I voted I would have voted to sustain the Speaker's ruling.

Mr. NICHOLSON: I was paired with the hon. member for North Timiskaming (Mr. Bradette). Had I voted I would have voted to sustain the Speaker's ruling.

Mr. TUMMON: I was paired with the hon. member for Hochelaga (Mr. St-Pere). Had I voted I would have voted to sustain the Speaker's ruling.

Mr. SPENCE: I was paired with the hon. member for Northumberland, Ont. (Mr. Fraser). Had I voted I would have voted to sustain the Speaker's ruling.

Mr. BOYES: I was paired with the hon. member for West Elgin (Mr. Hepburn). Had I voted I would have voted to sustain the Speaker's ruling.

Mr. COTNAM: I was paired with the hon. member for Nipissing (Mr. Hurtubise). Had I voted I would have voted to sustain the Speaker's ruling.

Mr. GEARY: I was paired with the hon. member for Laurier-Outremont (Mr. Mercier). Had I voted I would have voted to sustain the Speaker's ruling.

Mr. ROWE: I was paired with the hon. member for Beauce (Mr. Lacroix). Had I voted I would have voted to sustain the Speaker's ruling.

[Mr. Ralston.]

Mr. BARBER: I was paired with the hon. member for Humboldt (Mr. Totzke). Had I voted I would have voted to sustain the Speaker's ruling.

Mr. RALSTON: I was paired with the Minister of Finance (Mr. Rhodes). Had I voted I would have voted against the Speaker's ruling being sustained.

Mr. MACKENZIE (Vancouver): I was paired with the hon. member for Saskatoon (Mr. MacMillan). Had I voted I would have voted against the Speaker's ruling being sustained.

Mr. McINTOSH: I was paired with the hon. member for Winnipeg South Centre (Mr. Kennedy). Had I voted I would have voted against the Speaker's ruling being sustained.

Mr. STEWART (Edmonton): I was paired with the Minister of the Interior (Mr. Murphy). Had I voted I would have voted against the Speaker's ruling being sustained.

Mr. VENIOT: I was paired with the hon. member for York-Sunbury (Mr. Hanson). Had I voted I would have voted against the Speaker's ruling being sustained.

Mr. McKENZIE (Assiniboia): I was paired with the hon. member for Durham (Mr. Bowen). Had I voted I would have voted against the Speaker's ruling being sustained.

Mr. MacLEAN: I was paired with the hon. member for Royal (Mr. Jones). Had I voted I would have voted against the Speaker's ruling being sustained.

Mr. HOWARD: I was paired with the hon. member for Grenville-Dundas (Mr. Casselman). Had I voted I would have voted against the Speaker's ruling being sustained.

Mr. DORION (Translation): I was paired with the hon. member for Lotbinière (Mr. Verville). Had I voted I would have voted to sustain the Speaker's ruling.

Mr. DUBOIS (Translation): I was paired with the hon. member for St. John-Albert (Mr. Bell). Had I voted I would have voted against the Speaker's ruling being sustained.

Mr. RAYMOND (Translation): I was paired with the hon. member for St. Antoine (Mr. Bell). Had I voted I would have voted against the Speaker's ruling being sustained.

Mr. DUBUC (Translation): I was paired with the hon. member for Halifax (Mr. Black). Had I voted I would have voted against the Speaker's ruling being sustained.

Hon. R. J. MANION (Minister of Railways and Canals): Mr. Speaker, this house met late in January and it is now the middle of May, so for the better part of four months we have been having discussions in the house as to the various measures which have been brought down by the government. During that time we have had a very great deal of fault finding and carping criticism, particularly on the part of the Liberal opposition. Their type of speeches might well be illustrated by the speeches delivered by the right hon. leader of the opposition (Mr. Mackenzie King) on the address, which took some four and a half hours, and the speech of the hon. member for Shelburne-Yarmouth (Mr. Ralston) on the budget, which took the better part of two and a half hours. In other words, those two speeches lasted for some seven hours, yet after a fairly thorough and somewhat painful reading of those speeches I have not been able to find one constructive suggestion advanced with the exception of the proposal by the hon. member for Shelburne-Yarmouth that we should have a refunding operation to cut down the interest rates in our country.

I wish to be entirely fair; the hon. member did make that constructive suggestion, but that proposal has been advanced by many members of this house. I think I have heard at least half a dozen members on this side deal with that matter, and that is something which all fair minded men must consider worthy of deep thought. To-day in Canada we have interest payments, if you include the Canadian National for which we are responsible, totalling $200,000,000 per annum in round figures, a stupendous burden to be placed on the backs of ten million people. The immensity of that burden can be realized even more clearly if it is remembered that it was not until 1910 that the federal revenues of the Dominion of Canada reached $100,000,000, and at that time we had a population of seven million people. Of course, Mr. Speaker, we usually understand that it is the duty of an opposition to oppose, but at the same time during periods of national crisis in this and other parliaments sometimes it has been the custom of oppositions to rise to greater heights than that. But if you, sir, or anyone else can show me anything, other than the one constructive suggestion I have mentioned, that has been advanced by the present opposition during the four years we have been in power, any suggestion which took into account their country in its hour of trial rather than party politics, I should be very much obliged.

At that, Mr. Speaker, my chief criticism of the opposition at the present time is that whether it is on the address or on the budget, in their severe criticism of us they have entirely ignored world conditions. This country, in common with the rest of the world, has been going through four years of industrial and economic crisis, the worst the world has ever known. I do not give that as a mere figure of speech; I think it is a statement of fact. We have had an unemployment problem in the industrial countries of the world affecting some thirty million people, thirteen million of them in the great, powerful, rich country to the south where, in addition, they have had thousands of banks close their doors to their depositors. Practically all the countries of Europe, and certainly all those which took part in the war, have been unable to pay the interest on their war debts. We have had Fascist dictators spring up in six or eight of the prominent countries of Europe, with a dictatorship of the proletariat in Russia, where communism and starvation have been stalking together throughout the land. Even in South America, where they have no war debts, most of the republics have been unable to pay the interest on their national debts, and away over in the far east we have had threats of war which have endangered the peace of the world. In addition to all this we have had a condition of economic nationalism spring up throughout the world, in the last ten or fifteen years, all of which makes up a chaotic picture which is painful to consider, and of which Canada has been forced to become a part.

Due to world conditions we have had our serious unemployment problem in proportion to the unemployment that has existed throughout the world. In addition we have had a drought condition throughout the prairie provinces which in Saskatchewan alone a year or two ago threw one-third of the entire population upon relief. We find that the world price of wheat dropped to such an extent that the purchasing power of the prairie provinces decreased to an amount something like $450,000,000—a huge amount for that or for any other section of the country. In addition to that they have been unable, because of the world price of wheat, to pay their taxes, and therefore the western provinces—and in this I should add British Columbia—the four western provinces in avoiding default have indeed been dependent for financial assistance upon the Dominion of Canada. Then, added to all that, is the fact, which hon. members opposite ignore on all

occasions, that the chaotic condition which in a few brief sentences I have described started before they went out of power. In fact, it started nearly a year before they went out of power, because it began after the crash in October of 1929. Yet, in their criticisms of this government, they never refer to world conditions, nor do they even admit that such conditions have existed.

Our record is open for all to read. I think it is a very good one, and in a few brief sentences I am going to cover the work of this government in its term of office, which has extended about four years. In the first place we realized that economies must be put into effect in Canada, and with that in mind we put those economies into effect to an amount of something like $81,000,000 per annum, cutting down the per capita cost of government in this country from $9.60 in the year before the war to $9.03 last year. We spent large sums of money on public works; we assisted the provinces, municipalities and the railways in their work of relieving unemployment, and we gave direct relief running into a large amount of money. We lent money by tens of millions to the western provinces. We saved the savings bank of the province of Manitoba; we gave a wheat bonus to the wheat growers of the western provinces. All of these actions of ours cost the government of Canada and the people of Canada something in the neighbourhood of $180,000,000. But as a result there has been no starvation in Canada, while in the only socialistic country in the world millions starve. We have maintained sound credit not only of the dominion, but of the provinces and the railways. We have saved their credit.

Then, so far as trade is concerned, we have held our own. We took part in two imperial conferences at which, for the first time in our history, we obtained preferences, profitable preferences—profitable to us and profitable to the other portions of the empire. It is true that the hon. member for Shelburne-Yarmouth (Mr. Ralston) and other hon. members, have criticized my right hon. leader for having bargained to get those preferences. So far as I am concerned I am proud of the fact that my right hon. leader bargained, and I am proud of the fact that for the first time in our history we were on the receiving end instead of always being on the giving end.

Then, so far as world trade is concerned we must realize that there has been a serious decrease in the trade of all commercial countries of the world. So much is that true that

total world trade decreased from sixty-eight billion dollars in 1929 to twenty-six billion dollars in 1932, or about 60 per cent. Great Britain, one of the great trading nations, has had a decrease in her world trade in 1932 compared with 1929, amounting to five billion dollars, the United States six billion dollars, and Canada something like one and one-third billion dollars. So that Canada's decrease in trade, for which we have been criticized, has been in proportion to the decrease in the trade of all the other countries of the world, and of the world in general. In other words, we held our own, and last year our domestic exports went up $106,000,000 as compared with the year before, and our imports increased by $27,000,000. Yet in his speech sometime ago the hon. member for Shelburne-Yarmouth accused us of having "shackled world trade." He accused us not only once but a number of times. He said that "Canada had begun an economic nationalism." Well, the facts are that economic nationalism and the shackling of world trade began while my right hon. friend the leader of the opposition and his government were in power. As a matter of fact, the main shackling which has taken place, so far as Canada is concerned, was between the years 1925 and 1930, when a Liberal government was in power.

For example, let us take wheat. It has been pointed out many times that until 1929 wheat was allowed free into many European countries, but that in that year, the one before my right hon. friend left office, Italy, France and Germany raised the duty on wheat to 73 cents, 85 cents and 98 cents respectively per bushel. The truth is that the shackling of world trade and the economic nationalism which have taken place are due to war psychology which has existed since the war, particularly in European countries. It is due to the fact that many of those European countries have the fear of future wars, and are desirous of becoming self-sufficient so that in case of war they will be able to maintain themselves without importing from other countries. But the fact remains that so far as Europe is concerned that shackling took place in years of a Liberal administration in Canada. So far as the United States is concerned, anybody who reads political history or follows the affairs of Canada will know that between the years 1921 and 1930, when the Liberal government was in office the United States put up practically prohibitory tariffs against Canadian farm products. So

much is that true, Mr. Speaker, that while in 1921, the first year of the Liberal regime, the United States imported $160,000,000 worth of Canadian farm products, in the last year in which the Liberal government held office the United States imported only $40,000,000 worth, or exactly one-quarter. And what was the attitude of my hon. friends opposite? What was the attitude of the present leader of the opposition? What was the attitude of that party when it was in power? It was unable to do anything. The leader of the opposition did not wish "to provoke the United States." As a matter of fact nothing was done by the Liberal government to increase the trade with the European countries and with the United States, or to decrease the tariffs which were rapidly being put up against the Dominion of Canada.

The hon. member for Shelburne-Yarmouth also saw fit to belittle the balance of trade about which, I believe, we may justly boast a little. It must be remembered that Canada's external interest payments, including dominion, provincial, municipal and corporate, amount to something more than $200,000,000 yearly. That money has to go from this country every year. That interest can be paid only in goods, or by borrowing money. But borrowing in the last few years has not been very popular or convenient. With interest being payable in goods I should like to ask the hon. member for Shelburne-Yarmouth or in fact any other hon. member, this question: How can any debtor country—meaning a country which must pay to outside countries more than they return in interest or debts—pay its outside debts if it imports more goods than it exports? It is absolutely essential, if we are to pay such debts, that we must export more than we import. Fortunately the balance of trade which when hon. members opposite left office was very markedly against us, in fact to the extent of $103,000,000, has been changed to a balance in our favour. In other words, in 1930, we bought $103,000,000 more of goods from outside countries than those outside countries bought from us. Last year we had a reverse condition, when we sold to the outside world $152,000,000 more than we bought from it, making a total change in trade figures of $255,000,000, plus gold amounting to something like $90,000,000, most of which we also exported.

That, in a very brief way is the record of this government. But in addition to that, at the present session we have placed before the house a marketing bill, a bill establishing a central bank, a mortgage bill protecting the farmer and a public works program. Those are pieces of legislation which come to my mind at the moment. Therefore, generally speaking I submit that Canada's affairs have been handled better during this time of crisis throughout the world than have the affairs of any other country in the world, and I say that our condition at the present time is at least equal to that of any other country in the world, and in that statement I make no exception.

Does any sane man on the opposition side suggest that had the right hon. gentleman opposite been in power he could have handled the affairs of Canada during this economic hurricane in a better manner than they have been handled by the present government?

Some hon. MEMBERS: Sure.

Mr. MANION: Some hon. members opposite cheer. I do not know whether they are the sane group or not. At any rate, Mr. Speaker, I should like to ask them this question: Could their leader or their party, had they been in power, have cured the drought in western Canada? Could they have controlled world wheat prices? Could they have stopped ultra-nationalism or economic nationalism which has grown up, and which was growing up during the nine years hon. members held office? Could they have cured unemployment? Could they have changed world conditions so that Canada would have held a better position or would have been in a better position than she has been in the past four years under a Conservative government? All we have to do is to look over the record of the Liberal party when they were in power and since they have been in opposition. In the four years they have been in opposition their whole record has been one of opposition to everything—opposition to the relief acts for weeks at a time, so much so that the western provinces on one or two occasions were unable to get their seed grain in time.

Some hon. MEMBERS: No.

Mr. MANION: I think that in a last minute rush they permitted the bill to go through, but the western provinces had a great deal of delay in getting their seed wheat because of the opposition of my hon. friends opposite. They opposed and are still opposing the Marketing Act. They opposed the translation bill. They opposed economies and they opposed expenditures. They opposed everything. They have done nothing but find fault and criticize. They have gloated over conditions in Canada which are really world conditions, and incidentally they have denied,

their leader at any rate has denied that conditions have improved in this country. They have capitalized discontent at every opportunity. They have done everything in their power even to destroying national optimism, apparently with no other object than to achieve power which they boast they would be able to do should an election be held at the present time.

I suggest, Mr. Speaker, that the tactics of my hon. friends opposite in times of national crisis such as the present are very poor tactics. I suggest as well that their tactics of holding up every piece of legislation, important or unimportant, that comes into this house, as they have done, brings discredit on the whole of our parliamentary institutions, for which my right hon. friend the leader of the opposition is always expressing so much reverence. I throw out this suggestion not only for the present opposition but for future oppositions.

Some hon. MEMBERS: Oh, oh.

Mr. MANION: My hon. friends laugh, Mr. Speaker, but it is exactly the same kind of loud laugh that speaks the vacant mind with which they have opposed everything that has been brought down in this house that has been of a constructive nature. I was going to suggest that if we are to protect the interests of the parliamentary institutions in which we believe, then not only at this time but in the future we should endeavour to bring in either closure or some other method of curtailing useless debate of which we have seen so much in the present parliament.

Then, sir, what was the record of the opposition when they were in power? Their record in power was even worse I believe than their record as an opposition. They saw the trading countries of the world barring out our products, and they did nothing to prevent it. They saw the United States by prohibitory tariffs keeping our goods out of that country and they adopted the old attitude of laissez-faire, of doing nothing for fear of provoking the United States. When the crash came in 1929 they first denied that there was any unemployment, and they then took the attitude that they would not give a five cent piece for relief even if there was. So far as Beauharnois is concerned, they are still labouring in the valley of humiliation.

In smaller matters, such as the Montreal bridge, they said it would cost $9,000,000, and it cost $19,000,000. Why did they not when they were in power and conditions were prosperous throughout the world as they were, bring down an unemployment insurance measure which they boast they would support at the present time? Why did they not when they were in power establish a central bank, which now they do not dare to oppose, and which now they say they were always in favour of, but they did not do anything to establish such an institution in the nine years they were in power. They did nothing about farm credits, and nothing about Senate reform, which my right hon. friend the leader of the opposition had clamoured for. They did nothing about free trade. All these things went into the limbo of forgotten things when hon. gentlemen opposite were in power.

So far as the Canadian National Railways are concerned the record of hon. gentlemen opposite in that respect is to my mind the most appalling of all. The hon. member for Shelburne-Yarmouth, in speaking of the Canadian National Railways, used this sentence:

> From 1922 to 1930 the average surplus available for payment of interest due to the public was $24,000,000, and the deficits began again in 1931.

That is one of those half truths in which lawyers so frequently indulge. My hon. friend from Hamilton (Mr. Bell) says, not the best lawyers. That is probably true. I do not think he would do it, but my hon. friend from Shelburne-Yarmouth did.

The facts are that between 1921 and 1930 my hon. friends opposite in the handling of the Canadian National Railways had eight years out of ten in which there were deficits so far as the interest to the public was concerned. They had a total deficit in those ten years of $191,000,000, and only in two years, in 1926 and 1928, was there sufficient earned by the railways to pay the interest owing to the public on bonds. In those two years they had surpluses totalling six million dollars. That means that they had a total deficit between 1921 and 1930 of $185,000,000 in the handling of the Canadian National Railways.

Mr. RALSTON: That was after paying interest to the public.

Mr. MANION: Of course, but the interest to the public has to be paid, and most of it incidentally was built up by my hon. friends opposite.

Mr. RALSTON: Does my hon. friend say that what I said was not correct?

Mr. MANION: No, but my hon. friend left unsaid what he should have said to make his statement completely correct. My hon. friend is very clever at that sort of thing, and he is trying to do it again now. He has a clever habit of bringing out only one or two phases of the railway question. He did it in South Oxford, and apparently with good effect. He does it everywhere he goes. He does not tell the whole truth but only one-half or one-quarter and lets it go at that. That is about as close as he got in his statement on the railway question a few days ago.

In regard to interest, let me say that when my hon. friends opposite came into power the amount of interest which the bondholders were receiving from the Canadian National Railways was just $20,000,000 less than it was when they went out of power. In other words, by permitting the Canadian National Railways to go into wild extravagances of many kinds they built up increased interest charges of twenty million dollars a year for that railway in addition to this factor, that the interest to the government was increased in the same period by $12,000,000 per annum by loans and cash advances from the government of my hon. friends opposite. To sum up, they increased interest charges to the public and to the government by $32,000,000 a year in the years between 1921 and 1931.

Mr. RALSTON: All voted for by my hon. friends.

Mr. MANION: Yes, probably voted for by your hon. friend because my hon. friends opposite had just sat back and permitted the gentleman in charge of the Canadian National Railways at that time to become such a squanderer of the people's money that nobody dared open his mouth for fear of risking his political life. There was no control whatsoever by the government or by the directorate of that day upon the gentleman who later disappeared from the management of the Canadian National Railways, for the good of the railways and the good of this country.

Hon. gentlemen opposite claim to have cut down the debt of this dominion by $257,000,000 when they were in power. That is the figure given by the hon. member for Shelburne-Yarmouth, and I shall accept it. At the same time they increased the debt of the Canadian National Railways to the public by $461,000,000 so that there was actually an increase in the debt of this country of $204,000,000. Then in the preelection year of 1929 they permitted Canadian National Railway commitments of between $200,000,000 and $250,000,000 for hotels, terminals, ships and railways, practically none of which was needed by the Canadian National Railways, and which only added to the funded debt of the railway. They encouraged the wildest extravagances. They rolled the Canadian National Railway pork barrel from Halifax, where they built a hotel for my hon. friend from Shelburne-Yarmouth, clear across to Vancouver and back again. They turned the Canadian National into a political machine and a political club of the most severe kind, and they nearly wrecked the Canadian National Railways, and in fact nearly wrecked the country.

That is the Liberal record so far as the Canadian National Railways is concerned during the last nine years in which hon. gentlemen opposite were in power. I say Mr. Speaker, that their record in regard to that great public utility was more appalling than the record of any other government in Canada, federal or provincial, in regard to any public utility this country ever possessed. But now I am happy to say that due to policies of economy, unpopular I admit, and of restriction of expenditure the Canadian National Railways to-day is well and economically managed. It has good officers and men in charge, and it has an efficiency which has been maintained throughout.

Fortunately business for the Canadian National as well as for the Canadian Pacific is increasing at the present time in line with the general increase in business throughout the world. During the months of January, February, March and April of this year the gross revenues of the Canadian National Railways have gone up $9,000,000 as compared with the same four months last year, while the increase in the gross revenues of the Canadian Pacific amounted to $6,000,000. Incidentally, these figures show that the Canadian National is not suffering very much by the treatment of this government. There is another matter which has not been stated before, one of importance and one which I commend particularly to the attention of the hon. member for Kenora-Rainy River (Mr. Heenan). The number of men working on the railways this last month is 15,000 greater than the number employed three or four months ago.

While the Liberals were in power from 1921 to 1930 they merely floated and drifted along on a world boom tide. They finally tumbled over the abyss in 1929. No signs of wisdom came from them in either the operation or the management of the affairs of this country. No preparation was made for the future when in times like that some

consideration should have been given to the future. Even five thousand years ago in Egypt they prepared themselves during good times for occasional reverses. At the present time the Liberal party is predicting success at the polls but—

Some hon. MEMBERS: Hear, hear.

Mr. MANION: Hon. members opposite cheer me and perhaps that is the only cheer I will get from them. I should like to point out that the predictions in 1930 were just as emphatic as those being made at the present time and the results probably will be the same in the future as they were in the past. Hon. members are continually harping on the by-elections.

Some hon. MEMBERS: Hear, hear.

Mr. MANION: They say "hear, hear." They claim that because of the by-elections we should go to the country because the results show that we do not possess the confidence of the country at the present time. What is the story of the by-elections?

Mr. McINTOSH: Pretty good.

Mr. MANION: It is pretty bad for my hon. friends. There have been ten by-elections. Five of them were politically unchanged; two we won from my hon. friends opposite, one they took from us; and they also took one from the Progressives, while the group in the southeast corner took a seat from us. So far as the Liberal and Conservative parties are concerned, we took two of theirs and they took one of ours, so we are one up on them in by-elections. I do not know what the hon. members for Shelburne-Yarmouth and Vancouver Centre (Mr. Mackenzie) are laughing at because these are the facts.

Mr. RALSTON: What about half truths?

Mr. MANION: Those are absolute facts and I challenge my hon. friend to show that they are anything else. In the last one or two by-elections the majorities have not looked very good for this party. I admit that quite frankly but at the same time I contend that with the conditions we have in the world, there is a natural under-current of discontent shown against all governments when they enter by-elections.

Mr. VALLANCE: The hon. member is not apologizing?

Mr. MANION: My hon. friend should apologize for the fact that the whole Liberal party in the province of Quebec was opposed to one man in the city of Montreal who beat them by 53,000 for the mayoralty. The government in England to-day is made up of the best elements of the Conservative, the Liberal and the Labour parties. That country is muddling through to prosperous days yet in spite of the quality of the government—there is no Liberal party left with the exception of Lloyd George—whenever the government goes to the polls in a by-election they are either defeated or their majority is cut down. The reason for this is the same as the reason for the majorities in the last two or three by-elections in this country. But the hard fact remains that as far as by-elections are concerned, we are one up on my hon. friends on the other side.

The hon. member for Shelburne-Yarmouth has pointed out a fact which he claims to be deplorable. I admit that it is unfortunate that including our railway deficit and relief this country has had to face a deficit in the last year amounting to $135,000,000. This is a serious situation, but I would point out that practically all countries in the world of any importance have had deficits of the same kind. Last year France had a deficit of $375,000,000; Germany had one of $400,000,000; Italy one of $350,000,000; and in June, when her financial year is up, the United States expects to have one between $5,000,000,000 and $7,000,000,000. It has been pointed out that Great Britain had a surplus of $150,000,000, but it should not be forgotten that she did not pay last year the interest on her war debt to the United States, amounting to $182,000,000. Incidentally, we have paid our interest on our war debt. I state this in order to keep the record straight. In order that I may not be accused of misquoting facts, I should like to quote from the budget speech of the Chancellor of the Exchequer, Mr. Neville Chamberlain. He said:

> Neither last year nor the year before did I make any provision for the payment of the war debt to America nor for the receipt of war debts or reparations by ourselves. In the absence of any future development, I propose to follow precisely the same line this year.

The fact remains that instead of having a surplus, the United Kingdom had a deficit just the same as practically every other country in the world. For the benefit of those who sometimes complain of taxation, it is interesting to note that the United Kingdom is the most heavily taxed country in the world. Their ordinary revenues last year—they expect to have about the same this year—amounted to $3,500,000,000. Based on population of 40,000,000, this works out at $90 per head. Our revenues amounted to $271,000,000, or $27 per head.

Mr. HANBURY: What about deficits?

Mr. MANION: The provinces?

Mr. HANBURY: No, deficits.

Mr. MANION: They also have a deficit. I was pointing out that our collections are less than one-third the per capita collections in the United Kingdom. I thought my hon. friend was referring to the provinces and I intended to mention them later on as it is only fair that they should be included in our total taxation receipts. I checked up and I find that the receipts of the nine provinces amount to something like $175,000,000. This would make a total dominion and provincial tax collection of about $450,000,000 or $45 per head as against $90 per head in Great Britain. If our revenues had been the same as the per capita revenue in Great Britain, we would have collected last year not $271,000,000 but $900,000,000. We would have had $400,000,000 or $500,000,000 with which we would not know what to do.

Mr. SANDERSON: Is that a promise?

Mr. MANION: My hon. friends should remember that while the population of Great Britain is only four times the population of Canada, the revenues of that country are fourteen times the revenues of this country. Even including the revenues obtained by the provinces, their revenues are eight times as large as ours. Until lately England was considered a free trade country, but her customs collections are six times the amount of ours. Her excise is fifteen times the amount of ours and her income tax, thirty times. They collect thirty times as much in spite of the fact that their population is only four times as great. We in this country know nothing about taxation when we consider the heavy methods employed in England. It is perhaps because of that that England is on the upgrade. I say to my hon. friends who criticize us for our tariff: Is the business improvement in England because of free trade or is it because of the protection which has been afforded in the last couple of years? I am going to take the opportunity of quoting a few sentences of Mr. David Lloyd George, one of the few remaining members of the practically extinct species of free traders in England. The species is practically wiped out in this country except for the hon. member for Weyburn (Mr. Young) who claims occasionally to be a free trader. I quote from the Montreal Daily Star of April 28 a cable from Mr. Lloyd George:

> We were the first to slump. We claim that we are the first to recover. To what extent is this recovery due to our abandonment of free trade?

And again:

> Every free trader would admit that, under the conditions in which the duties were imposed, they were bound to act as a powerful stimulant to home industries that were predominantly affected by foreign imports.

And again:

> When the world crisis came the universal depression forced producers in every land to sell their goods at any price, wherever a purchaser was to be found. A country without a tariff became a favourite dumping ground. Our imports therefore tended to increase when we were offered goods we needed at the prices of bankrupt stock.
>
> Our manufacturing enterprises necessarily suffered from this eruption of cheap articles. High tariffs arrested this process and home production was bound to benefit as long as the world slump lasts—

These arguments apply to Canada just as well as they do to the United Kingdom; and in the same way it was just as reasonable for Canada to increase the tariffs of this country along certain lines, for the reasons outlined by Mr. Lloyd George, as it was for Great Britain.

To my mind, and I think in the judgment of all fairminded people in this country, this government has nothing to be ashamed of but much to be proud of. This government, sir, has brought Canada safely through an economic hurricane the like of which has never been experienced before, and, I am sure we all trust, will never be experienced again. The government of Canada now in power deserves, and I believe will get, the gratitude of the Canadian people when the time comes. Canada, as well as the world generally, is on the upgrade; all the indices point to this. Railway earnings, which constitute one of the best indices in any country, are on the upgrade in Canada. Employment has improved; farm and security prices have gone up; construction contracts have increased; automobile, steel, newsprint, lumber and power production have improved; clearinghouse records are higher, and export trade is gaining each month. I am of the opinion therefore that before the election in a year or so the people of Canada will reach the sunlit heights of full prosperity again, and when we go to the country my hon. friends opposite will come back to sit on the same side of the house as they did after the last election.

Mr. WILLIAM IRVINE (Wetaskiwin): May I first of all extend my sympathies, with those of other members of the house, to the Minister of Finance (Mr. Rhodes) in the sad bereavement which he has experienced.

I have just listened to a very fiery and fighting speech by the Minister of Railways (Mr. Manion) but I am afraid I cannot enter

into his enthusiasm, at least to the extent that he did, in the defence of any administration of the present system or of any attempt to make it operative. For a long time in this country, even up to the present moment, fiscal policy has been regarded by both parties as the secret of economic advantage or prosperity; that is to say, one party held that we could bring prosperity to Canada by raising tariffs, while the other party contended that we could bring prosperity by reducing them. We have now in office the party that believes in increasing tariffs, and they have been increased; and I am quite willing to admit with the minister who has just taken his seat that in the administration of affairs under a high tariff policy Canada is just as well off as any other country in the world. I do not think there is any question about that, but I add that there is no country in the world that is very well off at the present time. I would even go this far and say that so far as I am personally concerned, it seems to me that so long as we are going to continue with capitalism in Canada I would just as soon see the administration carried on by the present government as by any other government you could pick in the dominion. But I do say that I am opposed to carrying on the present system, and I do not believe that it is possible for any government to administer that system to the satisfaction of the common people.

The next point I want to bring forward is this. We have never had any experience with a low tariff in Canada. We have had low tariff parties but have never had any low tariff practice, so that we are left to guess at what would happen were we treated to low tariffs.

The main contentions of the opposition during this session have centered on two points, first on trade, involving of course the question of tariffs. The contention has been that trade means economic salvation; that tariffs when they are high prevent trade; that if the Liberal party came into power tariffs would be lowered and we should get more trade, and therefore we should have economic salvation. The next point in their contention has been that the practices of this parliament and of this government have challenged the principle of representative government. These are the two main criticisms that have been advanced this session.

I would suggest that the abolition or the reduction of tariffs in Canada would not necessarily mean a healthy increase in trade. I have pointed out that we have had low tariff parties and they have never put a low tariff into effect, so that I must deal with the speculative side of the argument, having no practical examples to follow. It may be readily admitted that the tariff is a barrier, but I contend that it is not the only barrier, nor is it the most important barrier. There is in the world to-day in every country what we may call a capitalistic surplus of goods; that is to say, there is a surplus of goods in every industrialized country of the world, over and above that which can be sold or bought at a profit price, and each one of these countries, not being able to consume at home the surplus of goods which machine production has made possible, enters into competition with every other country for the so-called world market, which has been diminishing all through the last century, and has almost reached now the complete vanishing point.

The time has come when we must insist that the Liberal party, which in its campaign for power holds out promises to the people that it will bring prosperity through tariff reductions, should tell us just exactly how much it is going to reduce the tariff if and when it does come into power. We want to know not only how much the Liberal party intends to reduce the tariff, but on what goods, or whether it intends to reduce the tariff on all classes of goods, or intends to wipe out the tariff entirely. Then we want to know in which countries such proposed tariff reductions will secure for us a market, and for what sort of goods that market will be available. Further, we want to know to what extent that market will be open to us.

These are very practical questions and if insisted on all over Canada they may force the Liberal party, for once at least, to depart from the usual practice of generalizing and making vacuous statements which may be interpreted this way or that but are always interpreted in some other way than the way expected when the pinch comes.

Another point that I want to bring to the attention of the house is that when a nation is in debt, as Canada is, that nation cannot accept the responsibility of meeting its foreign obligations and at the same time ignore the tariff situation in the world as it is. The hon. Minister of Trade and Commerce (Mr. Stevens) dealt very ably with that point a few days ago. He argued—and I have not heard anyone who has challenged him on that—that a debtor nation must export more than she imports or she will have to default. Some have argued that we can be in debt

say to the United States, and export more to Great Britain, and eventually get a favourable balance in the United States indirectly through the clearing house system. But as things are to-day that cannot be done, because all nations have a surplus of goods for export, and nearly all nations are indebted to the United States and trying to do the same thing we are trying to do. I think we may readily concede this point to the contentions of the Liberal party, that goods shipped out of Canada in exchange for goods shipped in should not be subject to a tariff, these things may be, however, better arranged than by tariff policies of the old type. The C.C.F. proposes to arrange that in a scientific way through the appointment of a government board which will handle the export and import trade so that we shall ship goods out only to nations that are in a position to take our goods and give us goods in return or take our goods to apply on debts which we may owe them.

But there is a third point in connection with this contention that a policy of lower tariffs would bring economic prosperity to Canada, that is that, unfortunately for itself, the Liberal party has a record in regard to tariffs which does not inspire confidence. If that party can again prevail on the Canadian people to return it to power once more on the promise to reduce tariffs, after its long years of office in which no attention was paid to that question, then, of course, there is not much hope for democracy.

The next complaint urged against the present administration relates to the preservation of the principle of representative government. I think those who have urged that complaint, particularly with reference to some of the legislation advanced by the administration, have unfortunately mistaken the issue. I venture to say that financial monopoly has been and is a greater danger to representative government in this country than any act which was ever passed by this or any other government. But when the Liberal party was in power it had nothing to say against that financial monopoly, and even at this session of parliament not a word has been uttered that would indicate that they are in any way opposed to the financial monopoly which is in power in all countries. I would say that even the cat with the proverbial nine lives would have been dead long ago if it had been slain as often as the Liberal party affirms that responsible government has been slain in this house. I do not think that there is any reason at all to assume that the present Prime Minister and his cabinet are impairing the principle of responsible government any more or any less than the government which preceded them.

Let me invite the attention of the opposition to the real challenge to representative government. I have already mentioned the dominating influence of finance, which is not peculiar to Canada but exists in all countries. I want next to mention the action of the Liberal party itself, which is more dangerous to representative government in my opinion than any legislative proposal. While our people are in debt, while they are unemployed and discouraged, while we have many people in want, the opposition raises hair-splitting points about governmental and constitutional questions. I think that practice has done much to discourage the people of Canada in their belief in representative government, and that the more of that which goes on the less respect will be shown by the people for this house and its deliberations. Take the discussion on the marketing bill which has gone on for the past two weeks, let anyone read that discussion and then ask them how much respect they have for representative government. That is the sort of thing that is doing more harm to representative government than any marketing bill or any act which this or any other government has so far proposed in this house. The Liberal party has failed entirely to present an alternative and constructive program as a substitute for the program that is being carried out by the government in office. This government, however inefficient or ineffective it may have been in dealing with the depression, has at least at this session of parliament given an intelligent response to the situation.

Miss MACPHAIL: They took a long time to do it.

Mr. IRVINE: As the hon. member says, they took a long time, but at last they have made an intelligent response. I am not satisfied with that response, I think they should have gone very much further. Neither do I think, as I said at the outset, that this or any other government can under the present economic order prevent unemployment or poverty or debt. I do not believe that can be done by any group of men. I am quite satisfied that the solution cannot be found in any alteration of administration or any change of party or of government; the remedy lies deeper than that, in economic reconstruction on a basis which so far neither the government nor the opposition has seriously considered.

Let me point to a few major facts which concern us in Canada to-day and which should be the basis of our political and

economic policy in the near future. The first is the fact of abundance. That has been pointed out from this section of the house many times during the past decade. We have in Canada an abundance of goods and we can produce more. We have potential wealth and real wealth far beyond the ability of the people to purchase. In other words, although we have abundance, that abundance is not distributed. That leads us to the next fact, that devising measures to assure distribution of these goods is the first task of any administration. The third point is that financial reform is the first step to be taken in securing distribution of that abundance. We submit these considerations as the basis of a policy different from that now being pursued by the administration or hinted at in the campaign of the official opposition.

I beg, sir, in resuming my seat, to move, seconded by the hon. member for Red Deer (Mr. Speakman):

That all the words after "that" be struck out and the following be substituted therefore:

"This house, while appreciating the unusually difficult task of the government in attempting to administer the present system, regrets the undue delay in taking necessary steps leading to the distribution of our present abundance amongst the Canadian people."

Mr. J. C. MOORE (Chateauguay-Huntingdon): Mr. Speaker, I think it is the sense of hon. members of this house, irrespective of party, that the budget presented by the Minister of Finance (Mr. Rhodes) on April 18, comprised a more comprehensive statement of the federal financial position than has ever been submitted on a like occasion. Revenue and expenditure, debt and taxation, liabilities accrued and accruing, obligations outstanding, both actual and contingent, are set forth clearly in a variety of statements, the reading of which gives a full insight into the financial position of the dominion. The picture had still to be painted by the minister in rather sombre colours, but he was able to intersperse touches of light here and there and so present the brightest exhibit of national affairs that has been possible in the last four years. Trade is reviving, both domestic and foreign; all indices prove conclusively that several months ago the bottom of the pit was reached and that business is steadily climbing upward. Gratifying, too, it is to learn that the dominion government has been able to support and sustain the western provinces in their time of financial trouble, brought about by crop failure, low price of wheat, and other untoward events, and to maintain its own credit at a high point.

[Mr. Irvine.]

I am for economy in public expenditure, Mr. Speaker, but I cannot close my eyes to the fact that the field is circumscribed within which to ply the pruning knife. I commend the government for having already effected substantial savings and for its proclaimed intention of making further reductions in expenditure as circumstances permit. Let me briefly cite what has been done already in the way of economy. Ordinary expenditure has been reduced from $382,827,000 in 1930-31, to $347,702,000 in 1933-34, a decrease of $35,000,000 since the present government took office. In the same two years capital expenditure has been reduced from $28,222,000 to $6,570,000, or by $21,600,000. These are large figures and I submit manifest real economy and the earnest desire of the government to escape new taxation so far as possible by retrenching expenditure. But they do not tell the whole story. Public expenditure consists of two kinds, controllable and uncontrollable, and it is obvious that in respect of the latter the power to economize is nil. In this category fall such items as interest on public debt, war pensions, subsidies to provinces and old age pensions, which in the aggregate absorb 63 per cent of total ordinary expenditure. It is in the field of controllable expenditure that a government can wield the pruning knife, and in this field a remarkable degree of economy has been effected. Look at the figures:

Controllable expenditure, 1930-1..	$217,000,000
Controllable expenditure, 1933-4..	134,000,000

In three years the cost of these services has been reduced by $83,000,000, or more than 38 per cent. It was not an easy task. It required courage to halt salary increases in the civil service, to cut down staffs, to lop 10 per cent from salaries of all grades, high and low, in the public service of Canada, and from the indemnities of members of parliament. But the national credit stood in jeopardy, and the Bennett government fearlessly attacked the problem of maintaining public credit and has successfully solved it. I sometimes wonder whether the people of Canada realize the tremendous task which confronted Right Hon. Mr. Bennett when he assumed office in 1930, faced with a world wide commercial crisis, with increasing unemployment, with falling prices, with a scale of extravagant expenditure set by his predecessor in office, with declining revenue and growing deficits. When one considers the burden laid upon the premier and the marvellous courage and ability with which he has borne it, the voice of criticism should be hushed. Certainly the last to condemn

should be those who cried loudest for the expenditures which have proved our undoing.

The weight of taxation presses heavily upon all classes of the people and the recovery of trade has not progressed long enough or far enough to produce such increases in public revenue as will enable the government to reduce taxation. There has been, however, in the budget now under discussion an adjustment of taxation that will, I am convinced, meet with great popular approval. The government has lifted one-half the sugar tax that touched the pockets of all the people and placed it on the large miners of gold. That, I submit, is a case of helping all the people at the expense of very few of the people. And with business on the up-grade and federal revenues expanding, we may reasonably expect the emergency tax on sugar to disappear wholly next year.

There were two amendments before the house, the adoption of either one of which involved the defeat of the government. The first amendment proclaimed the fiscal policy of the Liberal party, reading as follows:

> This house regrets that the proposals of the Minister of Finance give no indication of the intention of the government to abandon the policies of economic nationalism, which have proved so disastrous to Canada's trade.

Could there be better evidence of the utter insincerity of this amendment than the fact that its mover, the hon. member for Shelburne-Yarmouth (Mr. Ralston) is one of the strongest supporters of economic nationalism in this house, when applied to a principal product of his native province, Nova Scotia, namely, coal. He is of those who in the words of Byron:

> Compounds the sins he is inclined to,
> By damning those he has no mind to.

In other words, economic nationalism is commendable when applied to Nova Scotia products and condemnable when applied to products of other provinces.

I deny, however, that the policy of the present government is one of economic nationalism. It is, in fact, distinctly in the opposite direction. I call to witness the empire economic compacts brought about by the persistent pressure of the Prime Minister, under whose operation Canada's trade with empire countries has been substantially increased. I call to witness the repeated declaration of the leader of the Conservative party that he does not favour high tariffs as such but only as a means of preserving the industrial life of Canada and of supplying employment to men who otherwise would be destitute.

We hear much of the distressful unemployment of recent years, due to the fall in world prices of commodities and ensuing collapse of trade. Does any sane man believe that the policy of the present government brought about this state of affairs? Every Canadian knows the world trade crisis began and was steadily increasing in intensity before the Conservative government came into office in August, 1930, and that the debacle was beyond the power of any one country to avert or abate. What government could do, this government has done. It has shielded domestic industries against the assaults of dumped goods of foreign production, and it has effected a larger measure of mutually advantageous reciprocal trade within the empire.

The constituency I have the honour to represent is largely rural, one of the finest agricultural sections in all Canada and devoted to diversified farming. Would it be to the advantage of these farmers to have their home markets destroyed by lowering of tariffs to a point that would cause the substitution of foreign made goods for those of Canadian manufacture and the consequent unemployment and loss of purchasing power? I say most emphatically no, and the same may be said of farming in whatever part of Canada it may be pursued.

The amendment submitted as the embodiment of Liberal fiscal policy calls for policies which will promote export trade throughout the world as essential to any permanent improvement of conditions in Canada. Did the fiscal policy of that party sustain the export trade of Canada? It did not, because in the fiscal year, 1929-30, under Liberal government, that trade decreased $243,457,000, and if it be said that world conditions and not Liberal fiscal policy were responsible for this shrinkage, surely it is equally true that greatly intensified world depression was responsible for the decline in Canada's export trade in subsequent years under Conservative government. What is the salient fact? It is that our export trade of Canadian products is increasing, not decreasing. In the fiscal year ended March 31 last, these exports had a value $105,526,000 greater than the year before and $3,000,000 more than in 1931-32, so that our export trade throughout the world essential to permanent improvement of conditions in Canada is already increasing under the policies of the present government. Fall in prices accounts mainly for

the decline in money value of Canadian exports in recent years, but it is a notable fact that the volume of these exports in 1933-4 was greater than the volume of exports in 1930-1.

I am aware, Mr. Speaker, that the subject of reciprocity with the United States, especially in farm products, is still harped upon by opponents of the present government, though not, perhaps, in so loud a key as in past days. Lament is expressed that the convention arranged in 1911 by Mr. Fielding and Mr. Paterson was not approved by the people of Canada, and the statement made that the rejection of that convention cost Canadian farmers a vast sum of money. What nonsense! The convention of 1911—treaty, if you like—was not worth the paper it was written on, since it was terminable at the instance of the United States any day after one year's existence. It carried no assurance of continuance for a fixed definite period, and what followed in congressional action in the United States soon after the convention was signed proved beyond question that its duration would be brief. So I assert it to be untrue, and misleading the farmers of Canada, to contend that the rejection of that convention deprived those farmers of a profitable market in the United States. If you doubt me, read the correspondence between Mr. Fielding and the then Secretary of State of the United States, who carried out the negotiations.

It is true our farmers in a large part have lost the American market. In the nine months ending March 31, 1921, the value of farm produce exported from Canada to the United States was $154,560,000 and in the corresponding period this year, that value had fallen to $7,612,000, a very great decrease. But the Bennett government is not to be blamed for this shrinkage. Its fiscal policy was not in any instance the cause. Our sales of farm products to the United States dwindled because of prohibitory tariffs enacted by the congress of the United States before the Bennett government came into being. Of the 43 farm products comprised in the export trade of $154,560,000 in 1921, no less than twenty-five entered the United States free of duty and only eighteen were subject to duty, whereas to-day not a solitary product of Canadian farms is admitted to the United States free of duty. Cream and milk, cattle, sheep, wheat, flour, meats, potatoes, eggs, wool and many other farm products entered the United States without payment of tariff tax in 1921.

[Mr. J. C. Moore.]

A Conservative government was in office in Canada at that time and had been for ten years preceding. It was only after the Liberal party succeeded to office that the United States tariff against Canadian farm products began to go up until it reached its present almost prohibitory height. Do I mean to imply that because the Liberal party came into office in Canada, the United States tariff was raised against our farm products? Not at all. The American tariff was raised to protect the American farmer in his home market and for no other reason, and no person outside a lunatic asylum will contend that in view of the N.R.A. and other recovery policies of President Roosevelt, there is the possibility at this time of regaining the American market for our farm products by any action of a Canadian government.

One word more upon this subject. Reciprocity in farm products with the United States no longer has the lure to Canadian farmers it once had. They have found better markets and comparison of prices of many products of farm, field and dairy in the two countries in recent months will disclose why the farmers of Canada are much less concerned than they once were with reciprocity with the United States.

The subamendment which you ruled out of order, Mr. Speaker, came from the Cooperative Commonwealth Federation group, commonly known as the Co-Co's. With some of the pious platitudes in the platform of that party I imagine we agree. We can agree that it is desirable to raise the price of agricultural products and other primary products, to create an increased volume of business, to abolish poverty and generally to establish utopia in the dominion. But their means to this end are less commendable, and, as the lessons of history teach, are quite futile. Reduced to the last analysis, the C.C.F. platform means repudiation of debt, and the issue of fiat money. Indeed, it is so nominated in the bond. Public borrowing is to cease. Federal, provincial and municipal governments are to pay their debts with Dominion notes inconvertible, produced by the printing press in amounts limited only by the demand for the same. The workingman is to have a full dinner pail and a capacious wallet bulging with legal tender. We are all to be made rich with paper tokens of daily descending value, and as the supply of paper making material is abundant the output of notes from the printing press can be unlimited.

Now it may be possible to make people apparently rich and correspondingly happy for a year or two by adoption of the C.C.F. monetary policy, but experience has conclusively proved that the life of gayety will be of short duration. France, Germany, Austria, Russia and the United States have all, at one time or another, embarked on the sea of fiat money only to be submerged at last by ruin. Of all classes who suffer from depreciated currency, farmers and labourers are the first and greatest sufferers.

Various causes have been assigned for the world trade depression from which we are now emerging, and various remedies have been suggested. In my opinion, the cause can be summed up in one word—war. Few realize the immensity of that catastrophe, the losses it entailed, the disorder in finance, trade, industry and social comforts that it produced. In this connection, I desire to place on Hansard an extract from the annual report of the Carnegie Endowment for International Peace, edited by that distinguished American, Doctor Nicholas Murray Butler, which reads as follows:

According to the best statistics obtainable, the world war cost 30,000,000 lives and $400,000,000,000 in property. In order to give some idea of what this means just let me illustrate it in the following:

With that amount we could have built a $2,500 house and furnished this house with $1,000 worth of furniture, and placed it on five acres of land worth $100 an acre and given all this to each and every family in the United States, Canada, Australia, England, Wales, Ireland, Scotland, France, Belgium, Germany and Russia.

After doing this there would have been enough money left to give each city of 20,000 inhabitants and over in all the countries named a $5,000,000 library and a $10,000,000 university.

And then out of the balance we could have still sufficient money to set aside a sum at 5 per cent interest which would pay for all times to come a $1,000 yearly salary each year for an army of 125,000 teachers, and in addition to this pay the same salary to each of an army of 125,000 nurses.

And after having done all this, we could still have enough left out of our four hundred billions to buy up all that France and Belgium possess; that is, every French and Belgium farm, home, factory, church, railroad, street car—in fact, everything of value in those two countries in 1914.

Mr. Speaker, if there be one class of persons in Canada, who, during the last four years have had the earnest solicitude of the government for their welfare, it is the agricultural class. The Minister of Agriculture (Mr. Weir) himself a practical farmer, has laboured in season and out of season to improve the lot of the man on the land, the grower of grain, the breeder of live stock, those engaged in dairying, and the mixed farmer, and it is becoming increasingly recognized among these classes that he is the best Minister of Agriculture Canada has known. There was the milk investigation by the committee on agriculture of this house, which last year made a thorough inquiry into the wide spread in the price of milk between producer and consumer to the undue profit of the distributor. The report of that committee, containing a comprehensive statement of the evidence taken, was duly transmitted to the various provincial governments for such remedial action as might be taken.

The provisions of the British North America Act commit exclusively to the provincial legislatures jurisdiction in civil rights, and for this reason, the parliament of Canada could not itself apply remedies, but the way was blazed here; the unfair treatment of milk producers was revealed and the spur to provincial remedial legislation given. As a result, the government of Quebec was moved to action. All distributors of milk in that province are now bonded, and security is provided against future losses from insolvency of distributors.

This session the government has further manifested its solicitude for the farmers in the important measure known as the marketing bill. The aim of the bill is to maintain a reasonable level of prices of farm products by means of orderly marketing. The bill is opposed by the Liberal opposition on the ground that it is unconstitutional, and upon the ground also that it does away with individualism, with freedom of action, substituting therefor collective control and bargaining. Complaint is also made that certain provisions of the measure invade the provincial field and are beyond the legislative authority of the parliament of Canada.

To these objections farmers will pay small heed. What they want is a living price for their products and they will acclaim that political party which legislates to bring about this end. No one can successfully deny that, until the great agricultural classes become prosperous, Canada cannot enjoy sustained prosperity. The welfare of the manufacturers is bound up in the welfare of the farmers. Their interests are mutual, dependent one upon the other. The marketing bill is largely a local option bill. It is an instrument placed in the hands of farmers by use of which stability of prices may be brought about at

a level profitable to producers. Surely it should be evident to the dullest mind that the only road to national recovery in Canada is in restored prosperity to farmers, who cannot go on much longer growing crops and raising live stock which sell for less than cost of production. The marketing bill is an earnest effort of the government to change all this, and it remains for the farmers to do their share towards giving effect to the purpose of the legislation.

After listening to so much wailing by hon. members of the opposition, I should like to put on Hansard a letter written to the New York Herald Tribune. This is dated March 16, and reads:

Canada Shows How
A Reply to President's Request for Alternatives

To the New York Herald Tribune:

In his recent speech before the representatives of various industries, the president stated that it was not fair to criticize his proposals without suggesting constructive alternatives, and that all criticisms of his plans faded away before the question: "Well, old man, what would you do?" I think Mr. President, I can best answer your inquiry by asking you first to "look at the record," of our oldest friend and nearest neighbour, the Dominion of Canada.

They have no "N.R.A.," "P.W.A.," "C.W.A.," "C.C.C.," or "A.A.A." They lack the services of General Johnson. They have not repudiated the obligations of their currency. They have not enacted, nor has their government recommended the enactment of codes, banking laws or security acts that tend to make criminals of people who have done no wrong, or subject innocent men to heavy damages.

Yet, in spite of the absence of these alphabetically designated and habit forming stimulants which we have adopted, and the other so-called "aids to recovery," to which I have referred, Canada has staged a remarkable industrial recovery.

Business there is not constantly threatened by strikes, nor in constant fear of the district attorney or the sheriff, and we read daily in our papers such headlines as "Trade in Canada gains," "Canadian Industrial Advance Exceeds All Expectations."

Now, Mr. President, my suggestion is simply this, that you eliminate the theories and follow the practical path of Canada. If you need experts to advise you how to do this (personally I don't think you do), reorganize your "brain trust" by firing the professors of economics, finance and agriculture, and get a few on modern history with field experience." If native talent is insufficient, import one or two from McGill or some other good Canadian university.

Compare this tribute to the administration of affairs under the present government given by an impartial and competent observer, with the denunciatory criticism of hon. gentlemen opposite. I know there are those who hold it to be the business of an opposition to oppose all measures emanating from the Conservative government, irrespective of their merits, but I do not think the people of Canada can approve this attitude. On the contrary, I believe the people have become impatient of petty partisan tactics in this time of stress and strain, a time when in politics, as in trade, cooperation should supplant competition, and when the best brains of all public men should be devoted to the solution of the difficulties which beset our people. There should, I submit, be a higher conception of the duty of parliamentary representatives than wanton waste of time in impeding progress of legislation or in opposing governmental measures for the mere sake of opposition, and this view I know to be held, not only by the supporters of the government but by many Liberals, who regret and who do not hesitate to condemn the conduct of their leaders in this respect.

The Right Honourable R. B. Bennett has shown good, common sense in refusing to answer attacks of the opposition, official and otherwise, which have been waged against him with increasing vehemence during the last four years. He accepts their hostile criticism as a necessary part of public service. I do not think it is any exaggeration to say that he has won the esteem of the whole country by the high level upon which he has always conducted his controversies. He has listened to the tirades against himself without complaint and in that way has been a splendid example to the world, which I believe it would be well for us to emulate.

It is reported by the Regina Leader Post that at the Liberal summer school at Port Hope, the opposition leader had been in close attendance upon all the lectures and round table discussions for the whole period of the proceedings, but in spite of his close attendance, the report states that at the end of the discussions, when everything from reciprocity to free trade had been discussed, no suggested solution was forthcoming. Yet at that meeting, where there were assembled for days what was supposed to be the best brains of the Liberal party in the dominion, with nothing else to engage their attention, they admitted, according to the report of their own paper, that there was nothing they could do to get wider markets, other than what had been done and was being done by the present government. Following this, the right hon. gentleman went through the west and left the impression that if he were in office there would be wider markets and

lower tariffs. If he thinks that by such methods he is adding cubits to his political stature, I fear he will be disappointed.

For four years, the world has been out of joint—despair and woe, wide-spread trade depression, a greater degree of penury and want than ever before. But from that dire condition, Canada, in common with many other countries, is slowly emerging. She is entering into a brighter day with her system of government unshaken, her social order undisturbed, the liberties of her people uncontracted, and the spirit of Canadians unquenched. By Conservative principles and ability, directed by the strong hand and signal talent of the Right Honourable R. B. Bennett, we will win our way to a new and greater prosperity than has been.

Mr. J. S. STEWART (Lethbridge): Mr. Speaker, the financial critic of the opposition, the hon. member for Shelburne-Yarmouth (Mr. Ralston) moved an amendment to the motion of the Minister of Finance (Mr. Rhodes) that the Speaker do now leave the chair and the house resolve itself into committee of ways and means. This afternoon I desire to direct attention to the first paragraph of that amendment. The amendment has been ruled out of order by Your Honour but there is no doubt that it expresses the fiscal policy of the Liberal party and is a public pronouncement made on behalf of that party. The first paragraph reads:

> This house regrets that the proposals of the Minister of Finance give no indication of the intention of the government to abandon the policies of economic nationalism which have proved so disastrous to Canada's trade.

Mr. SPEAKER: I would remind the hon. member that the amendment was ruled out of order and therefore is not now before the house for discussion.

Mr. STEWART (Lethbridge): Might it not be regarded as a pronouncement with respect to the Liberal party's fiscal policy? It is a public pronouncement made by one of the leaders of the party and I think it gives the people a correct idea of just how the Liberal party itself views the problems of the day. If that is right, then the Liberal party claims the policies of this government have affected the trade of Canada; and if we grant that premise, then it must be only fair and just to arrive at the conclusion that the fiscal or trade policies of the former government affected the trade and the markets of Canada. If, during the term of office of the Liberal party, of which government the hon. member for Shelburne-Yarmouth was a member, our country lost markets for our agricultural products, then it is but fair to conclude that we were deprived of these markets through the policies of the then Liberal government. The former government must be responsible for any decline in Canada's trade as well as for the loss of markets during their term of office. Therefore I should like to direct the attention of the house and of the country to the lack of policy of the King government, to the lack of effort put forward by the Liberal government from 1921 to 1930 to hold for our farmers an export market for the staple product of the west, namely, wheat. If today we lack a market for our wheat, if any government be involved in the present wheat situation it is the government that held office from 1921 to 1930. The treatment of the wheat market problem by the former administration is a story of the lack of possession of knowledge of wheat market conditions by the members of the then government, or it is a story of the complete ignoring of those conditions, or it is a story of neglect of public duty. I think it is high time the people were told to what extent the King government is involved in our wheat problem, and of its method of dealing with this problem, which it dared not face. It is time we were told that the Liberal government did not perceive the problem and had no policy to offer for the situation. It is time we were told of a government that was weighed in the balance and found wanting in many respects, not the least of which was its attitude towards the wheat situation in 1930 which, as I say, it dared not face but left as one of the many questions to be passed on to the Bennett government for solution.

Our present wheat market situation can be explained only by reference to what transpired before 1930, and particularly by reference to the years between 1925 and 1930. From 1919 to 1925 the countries of Europe, which had been engaged in the war, strove to regain their pre-war production of food products, and by 1925 these countries were then working on a fairly normal basis. European agriculture was therfore fairly well established in 1925, and that continent presented a market picture much different from what was presented to the people, chiefly the exporters, a few years previously.

Canada being an exporter of agricultural products was vitally interested in and would be affected by any policies which might be initiated in Europe. But the King government did not appear to realize the significance

of the policies initiated in the European countries, and certainly they made no attempt to warn the farmers of the wheat marketing problem which was bound to follow as the results of the policies initiated in 1925 in continental Europe.

Wheat, which is the staple product of western farmers, has for some years been Canada's greatest export commodity, and market trends in wheat have a profound influence on business conditions in this country. When we have good wheat prices business is good in Canada. The transportation of wheat has a direct influence on Canadian business, and the sale of wheat is the largest factor in our export trade. Any policies which might be put into operation which would affect wheat would be of vital interest to the people of western Canada.

From 1921 to 1930, eighty-five per cent of the world surplus of wheat was marketed in the importing countries of Europe but the outlook for that wheat market was greatly changed owing to the agricultural policies which were pursued by those countries in the first post-war years. I think the clearest picture of all can be presented through the trends in wheat acreages in Europe from 1921 to 1930, as will be seen in the following table:

Wheat Acreage—Europe (excluding Russia)

	acres
1930	72,000,000
1921	63,000,000
Increase 1921-30	9,000,000

These figures show that during the ten years of Liberal administration in Canada, from 1921 to 1930, there was an increase in wheat acreage in continental Europe of 9,000,000 acres, or an average of nearly 1,000,000 acreage per year; and to that one might add this fact, that in continental Europe they secure a substantially heavier yield of wheat per acre than is obtained in Canada and other exporting countries. Russia also had embarked on the first of her five-year plans and had announced to the world that she had adopted a policy to intensify her agricultural production through collective farming. The following table gives a report of Russia's activity in wheat:

Wheat Acreage—Russia

	acres
1930	80,000,000
1921	50,000,000
Increase 1921-30	30,000,000

[Mr. J. S Stewart.]

In so far as world trade in this commodity is concerned, one can readily see that as a result of these acreage increases in wheat there would be dislocation of wheat trade channels. The following table shows the increase in European acreage, including Russia:

Total European Wheat Acreage
(including Russia)

	acres
1930	152,000,000
1921	113,000,000
Increase 1921-30	39,000,000

This increase of 39,000,000 acres means an increase of more than one and a half times the present wheat acreage of Canada. This increase in acreage was highly significant, and a change in Canadian agricultural policy should have been put into operation to meet the changes in our wheat market which necessarily would follow. In our country the farmers were never advised what was going on in Europe. For this the Liberal government of that day must be held responsible. Canada's adjustment to the increase of European wheat acreage was to increase her own wheat acreage from 20·7 million acres in 1925 to 25·25 million acres in 1930.

Along with this great increase in wheat acreage in Europe there was another significant warning given to the Liberal government of the day in the price trend from 1925 to 1930. In the following table you will find the changes which took place in the average of wholesale prices and the average price for No. 1 northern wheat at Winnipeg for the years 1925 to 1930:

	Index of Wholesale prices	No. 1 Northern wheat
1925	102.6	109.8
1926	100.0	100.0
1927	97.7	99.0
1928	96.4	90.2
1929	95.6	89.8
1930	86.6	63.0

The foregoing table shows the definite reaction of Canadian wheat prices as a result of increased European acreage. But the Liberal government paid no attention to those distress signals.

Concerning agricultural policies in Europe, in 1925 Germany and Italy announced the inauguration of a new agricultural policy which was definitely related to the increase in their wheat production. France followed with her announcement in 1927. The purpose of these

policies in these countries, which countries had imported a large amount of our wheat each year, could not be mistaken or misunderstood.

Germany in August 1925, revised her tariff in an effort to increase the intensity of German agriculture, and the exemption from duty of the most important agricultural products was abolished. Heavy duties were placed on imported live stock, and a duty of 32 cents per bushel was placed against imported wheat.

In Italy Mussolini in 1925 commenced his famous "battle of wheat," and inaugurated his new policy by placing a duty of 58 cents per bushel against imported wheat.

The 1925 policies of Germany and Italy were followed by France in 1927. In September of that year the duty on wheat entering that country was increased from 20 cents to 37½ cents a bushel.

These three countries, large importers of our wheat, adopted as early as 1925 policies which were designed, (1) to maintain domestic prices, (2) increase domestic production, and (3) limit imports from foreign countries. These policies which were put into operation in 1925 brought results in 1929. Through the increase of wheat acreage and through increased production brought about by the use of fertilizers and better methods of cultivation large crops were secured. In 1929 nature cooperated with Europe and they had a tremendous wheat yield. During the year 1929 and the first half of 1930 these three countries greatly increased their import duties on foreign wheat, as will be seen by the following table.

France—Increases

May, 1929—from 37c. to 53c. per bushel
June, 1930—from 53c. to 85c. per bushel

Italy—Increases

May, 1929—from 58c. to 73½c. per bushel
June, 1930—from 73½c. to 86c. per bushel

Germany—Increases

Dec., 1929—from 42c. to 49c. per bushel
Jan., 1930—from 49c. to 62c. per bushel
Apr., 1930—from 62c. to 97c. per bushel

These increases in tariffs were supplemented by other restrictions, such as milling quotas. In December 1929, France established a milling quota providing that millers should use 97 per cent domestic wheat in their grist. In July 1929, Germany introduced a milling quota whereby millers were required to use 30 per cent domestic wheat. Italy followed with a similar policy. These mixing regulations have been changed from time to time to meet conditions of supply and price levels.

The immediate effect of the import wheat duties levied by Germany and Italy in 1925 and by France in 1927 was to increase the domestic price levels in those countries, and we find that domestic prices were substantially higher than world prices. The following table shows a comparison of the prices paid for domestic wheat in Germany, Italy and France, with the price for imported wheat on the world market at Liverpool:

	United Kingdom imported wheat	Germany	Italy	France
1925-26.. ..	1.58	1.61	2.07	1.45
1926-27.. ..	1.57	1.77	2.08	1.82
1927-28.. ..	1.37	1.62	1.91	1.66
1928-29.. ..	1.27	1.41	1.90	1.67
1929-30.. ..	1.20	1.65	1.90	1.47

The extent to which the domestic producer in these three countries was subsidized during these five years in raising wheat is seen in the following table:

	Germany	Italy	France
	cents per bushel		
1925-26..	+ 03	+ 49	— 13
1926-27..	+ 20	+ 51	+ 25
1927-28..	+ 25	+ 54	+ 29
1928-29..	+ 14	+ 63	+ 40
1929-30..	+ 35	+ 70	+ 27

It will thus be seen that the domestic producer in Germany received a bonus as high as 35 cents a bushel, the domestic producer in Italy as high as 70 cents a bushel, and in France as high as 40 cents a bushel. The result of these high prices in these countries from 1925 to 1930 was a great stimulation of wheat production, with the result that by the end of the year 1929-30 the imports of wheat into those countries were definitely reduced. We as an exporting country have been and now are suffering from the results of policies which were initiated eight years ago. This is brought home to us by the fact that the major part of the decline in the world trade in wheat in recent years has been due to the reduced purchases of foreign wheat by these three countries. The curtailment of imports of wheat into France, Germany and Italy is the very heart of our wheat problem. Our average wheat export, including flour, over the ten years from 1923-4 to 1932-3 was 281,000,000 bushels. Our average wheat export for the five year period from 1924-5 to 1928-9 was 310,000,000 bushels. Last year, 1932-3, our total exports amounted to 264,000,000 bushels, including flour, made up as follows:

Canadian Exports—1932-33

Destination	Amount bushels	Remarks
1. United Kingdom	103,000,000	Largest in history—about 50%
2. Orient	12,000,000	Normal
3 Other countries—		
United States, B.W.I., etc.	10,000,000	Normal
4. Continental Europe	115,000,000	
	240,000,000	
Flour exports	24,000,000	
Grand total	264,000,000	

With our flour exports it makes a total of 264,000,000. About fifty per cent of the total importation of wheat into the United Kingdom was secured by Canada in that year. But in 1927 France, Germany and Italy imported 225,000,000 bushels of wheat, whereas in 1932-3 their imports amounted to only 90,000,000 bushels. There was a decline of 135,000,000 bushels in the imports into those three countries between those years. Therefore had Canada but supplied her fair share of that decline, or about forty per cent of the 135,000,000 bushels, our exports would have been equal to our ten year average.

I desire to place on record now two tables, the first showing the duties imposed against our wheat when the King government came into office and the second showing the duties imposed when the King government was voted out of power:

Wheat Duties when King Government took office
(per bushel)

Year	France	Germany	Italy
1921	20c.	free	free

Wheat Duties when King Government left office

1930	85c.	97c.	86c.

In addition, milling quotas were applied in 1929, which greatly restricted our wheat exports to these countries. The present government has been criticized for not being able to dispose of our surplus wheat, but the country should know that our wheat carry over commenced as far back as 1925 and gradually increased each year. The figures are as follows:

	bushels
1925	27,000,000
1926	36,000,000
1927	48,000,000
1928	78,000,000
1929	104,000,000
1930	111,000,000

[Mr. J. S Stewart.]

Canada will greatly reduce her carry over at the end of this crop year, and we would not have a carry over to worry about but for the legacy of unsold wheat bequeathed us in 1930 when this government took office. In 1929-30 the United Kingdom purchased large quantities of wheat from the Argentine, and in that year Canada only supplied thirty per cent of the United Kingdom wheat requirements, as compared with a normal importation of from forty to forty-five per cent from our country. But the story of Canada's exports of live stock products to the United Kingdom presents an even more tragic picture. I have here a table showing the cattle and bacon exported from 1925 to 1930, as follows:

	Cattle (Numbers)	Bacon (cwt. of 112 lbs.)
1925	110,155	1,266,861
1926	79,083	863,493
1927	7,669	503,084
1928	405	306,795
1929	....	199,466
1930	5,193	99,298

During the ten years from 1921 to 1930, while the Liberal government held office, Canada lost another market for her agricultural products; that is, the United States. The loss of this market was due to tariffs imposed against our exports by that country. First we had the emergency tariff of May 27, 1921; then the Fordney-McCumber tariff of September 21, 1932, and finally the Hawley-Smoot tariff of June 18, 1930. In 1921 we exported to the United States $190,000,000 of agricultural products; in 1930, the last year of the Liberal regime, those exports amounted to $92,000,000. So during the administration of the King government we lost a market in the United States for $100,000,000 worth of agricultural products, and the Hawley-Smoot tariff which was put into operation six weeks before this government took office completely shut out our exports to that country,

so that last year they amounted to only $6,900,000.

During the years 1921 to 1930 it has been shown that Canada lost a market for from fifty to sixty million bushels of wheat, in Europe and a market for agricultural products in the United States worth $100,000,000 annually, but the amazing thing about this debate lies in the fact that hon. gentlemen opposite say this government is responsible for the loss of our markets because of the policies we have pursued. If anyone is responsible for the loss of these markets surely it must be the gentlemen who were administering the affairs of this country when the tariffs were placed against us.

I should like to summarize the points I have endeavoured to bring forward by stating that when the Bennett government took office in August, 1930, it was brought face to face with a serious condition in regard to our export markets for agricultural products.

1. During the King regime Europe and Russia had increased their wheat acreage by some thirty-nine million.

2. High import duties and milling restrictions had been placed against our wheat by France, Germany, Italy and other countries.

3. Wheat production in the countries I have named was heavily subsidized, so that our exports of wheat were sharply reduced.

4. Under the Liberal government the wheat carry-overs increased from 27,000,000 bushels in 1925 to 111,000,000 bushels in 1930.

5. In 1929-30 the United Kingdom, instead of purchasing our wheat in the usual quantities, bought Argentine and Danubian wheat.

6. Our domestic wheat market was demoralized by the piling up of surpluses as the result of the undermining of Canadian export markets during 1925 to 1930.

7. The market for farm products in the United States was closed, the last tariff changes being put into effect six weeks before the Bennett government took office.

What action was taken or what policy was pursued by the King government to meet this emergency in 1930? The Prime Minister of the day, in the speech from the throne delivered on February 20, 1930, said:

> The dominion is already recovering from the seasonal slackness evident at the end of the year, and it is not to be forgotten that the bulk of the 1929 wheat crop still remains in Canadian hands for final disposition.

Evidently the right hon. gentleman felt that it was a great asset to have in storage in Canada wheat for which we had no market and which we could not sell. Then on March 14, 1929, the Liberal Minister of Trade and Commerce said this to the country:

> The Department of Trade and Commerce is not exercised over the sale of such commodities as wheat because those commodities find their own market; but we are interested in assisting the sale of manufactured products.

But listen to this: The then Minister of Railways and Canals, Hon. T. A. Crerar, at his nomination convention in Brandon, held on June 13, 1930, is reported as follows:

> Mr. Crerar said the greatest factor in the present unemployment situation in Canada was the fact that in 1929 western Canada produced a smaller crop than in 1928. A normal crop of 500,000,000 bushels this year with other crops corresponding would end unemployment practically within six months.

I must acknowledge that a spokesman of the then government who attended the League of Nations meeting at Geneva did make a statement either in 1924 or 1926 that the government of Canada was one of the few governments in the world which had kept to lower tariffs at a time when other countries were raising tariffs against her. But when markets are falling away prompt action certainly is necessary. If the action they did take made it so that other countries increased their tariffs against us, then I say that on the face of it that action must certainly condemn them. This country has learned how easy it was under a Liberal government to lose markets, and the present government is finding out how hard it is to regain the markets previously lost.

What policies did the Bennett government adopt to meet these problems that had been left on its doorstep by the King administration? It might have followed the Liberal policy and done nothing but that would bring disaster to Canada in so far as her export markets were concerned. The other alternative, which was adopted by this government, was to face the situation fairly and see what could be done to help the Canadian people in this emergency. What was that policy?

First, an effort was made, and that policy is being followed at the present time, to restore confidence and stability to the domestic wheat market in Canada. The collective credit of Canada has assisted in maintaining an open and continuous market for Canadian wheat, and that in spite of a world surplus, and a Canadian carry-over. The farmer has been able to sell and get cash for every bushel of wheat he has hauled to market. Further,

an aggressive policy to assist the selling of our wheat abroad was at once initiated, and with beneficial results. The following table shows the exports of wheat for the year 1929-30, the last year of the King administration, and the years which have followed:

Year—	Canadian exports (million bushels)	Per cent Canadian export of total trade
1929-30	186	30
1930-31	259	33
1931-32	207	27
1932-33	264	43
1933-34 (estimate)	200	36

We have sold each year more wheat than did our exporters during the last year of the King regime. Further than that, in 1932-33 Canada's shipments of wheat were 43 per cent of the total world trade, one of the largest percentages Canada has ever had, and a percentage which was surpassed only three times in the ten years when we were supposed to have free markets for our wheat throughout the world. Secondly, the domestic markets were secured for Canadian producers. Foreign produce was more or less shut out, and to-day we find that the prices received for agricultural products in Canada are away beyond the prices paid for the same products in the United States and in other countries. Then, in the third place, through the efforts of the right hon. leader of the government the Canadian farmer has been able to secure a market in the largest and most stable market in the world, namely in the United Kingdom. This has been secured for the farmers through the provisions of the Ottawa agreements, and through these agreements there has been an increase in the price of hogs and in bacon exports. To the principle of these agreements and the principle involved in the second reading of the measures to promote trade within the empire the Liberal party were opposed. I say that the results obtained through the operations of the agreements provide sufficient reasons why the public should refuse to repose confidence in the policies of the Liberal party. The people will continue to confide in and to repose confidence in the right hon. gentleman who now leads the Conservative party in this House of Commons, the gentleman who during the last four years and in the most troublesome times has presided over the destinies of Canada, a leader who stands among the greatest Canada has yet produced.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. B. F. SMITH (Victoria-Carleton): Mr. Speaker, the task of speaking in a budget debate is not easy under any circumstances, and when one finds himself compelled to follow so many notable addresses which have already been delivered in this debate and finds that so many phases of the budget have been exhaustively dealt with, it becomes increasingly difficult. It is not without some degree of hesitancy, therefore, that I rise to give utterance to some few thoughts that I have in mind in connection with this budget.

The task of preparing the budget is not an easy one under ordinary conditions, and under the abnormal circumstances in which we find ourselves in this country to-day it is much more difficult. I have often wondered as I have sat and listened during this debate whether it would be possible for any finance minister to prepare a budget which would be acceptable to everyone. Scripture tells us that the day shall come when the laws shall no longer be written in tables of stone, but in the tables of men's hearts. I fear that that day will not come until the millennium is with us, and the millennium will have to come before any finance minister in this country will be able to prepare a budget that is acceptable to all. When that time does come, Mr. Speaker, I hope that many hon. gentlemen whose faces I now see opposite will be permitted to remain in occupation of the opposition benches.

I think this much may be said of the present budget speech, that it is a complete statistical picture of conditions as they exist. In most budgets to which I have listened there seems to have been an inclination on the part of the one who prepared it to deal only with the more pleasant features, leaving aside those which were distasteful; but in this particular case I am forced to the conclusion that the

finance minister has made an honest effort to give to the people a true picture of the country's affairs. The man in the street who can add and subtract can take this budget speech and determine for himself pretty nearly where this country stands.

The duty of any government in my judgment is first to gather in the revenues of the country honestly and to maintain the public services, and to make judicious expenditures that are necessary and in the interests of the well-being of its people. At the present time it becomes necessary for the finance minister in preparing his budget to keep his eye upon the labouring man, who is always worthy of his hire; upon the fisherman, who in his weeks and months of unceasing toil and hardship finds himself on many a day and night labouring and catching nothing; upon the miner, who goes out to explore unknown territory in the hope of finding untold wealth; upon the farmer, who works early and late in order that he may receive some remuneration from his efforts and have some chance of giving an education and the necessaries of life to the family which he is bringing up. Nor should we forget those who are working in industry. We cannot pay too much regard to these people; for it is necessary and essential that the administration of affairs in this country be so conducted as to provide for the safe investment of wealth so that capital and labour can go forward hand in hand and bring happiness and prosperity and contentment to our people. With the wonderful natural resources that we possess I have no hesitation in saying that if these instrumentalities are bonded together, working in harmony and cooperation, there is no just reason why the people of Canada should not be made a happy and industrious and contented people.

At this particular time we require a government of great courage and determination. I think the very strongest opponent of the present Prime Minister of Canada (Mr. Bennett) will have to admit at least that he and his colleagues have displayed since their advent to power a quality of courage which is essential in the momentous and depressing period through which we have been passing. It does not take much of a man to propel a craft when the stream is smooth and he is running with the tide, but in the hour of danger when the tempest arises you need a man of courage, and fortunately for the people of this country during the past three years we have had such a man at the head of affairs.

Do not let us forget, as so many are apt to forget, that this old world in the last few years has been in cruel agony. We have been pierced with such pains as never before. We have been pierced with social pains, with economic pains, and even with religious pains, and I submit, Mr. Speaker, that we in this chamber, the tried and trusted representatives of the people should try to set aside the prejudices that are so common to politics and by uniting on one platform endeavour to bring about a betterment of conditions in this country which we all love so much.

I said a moment ago that in dealing with his budget the Minister of Finance had been called upon to think of the labourer. I do not believe there is an hon. member in this house who is not sympathetic towards the man who starts out in the morning with a dinner pail on his arm to try to make an honest day's wage in order that he may educate his family, shelter them and give them the ordinary comforts of life. No doubt such a man fills a common position in life, yet after all in many instances the common positions in life are just as hard to fill as are the higher offices for which we sometimes find it very difficult to get men. I said that capital and labour should go hand in hand, and I cannot for the life of me understand a man who is anxious to accumulate wealth while all around him he sees nothing but poverty. I cannot understand a man who can be happy under such circumstances.

Then I speak of the fishermen along the Atlantic seaboard, the gulf of St. Lawrence and the western Pacific. This is a class which endures real hardship and danger. They toil long hours and in many instances for small remuneration. The constituency which I have represented either in the legislature of New Brunswick or in some other capacity for the last thirty years is essentially a farming and lumbering constituency. It will be seen that I started my political career when I was rather young, as I am only a youngster yet.

I should like to submit another matter to this house, if I may be permitted to refer again to myself. A great deal has been said about by-elections and what they indicate as to what might happen in the future. The hon. member for Gloucester (Mr. Veniot) will remember that in 1927 a by-election was held in my constituency in which a Liberal was elected by acclamation. Two years later the people asked leave to test the constituency and the result was that I was returned to this

house with the largest majority ever accorded a Conservative candidate. It might be said that by-elections are not a fair index of what the people have in their minds, and I think the hon. member for Restigouche-Madawaska (Mr. Michaud) will bear me out in that statement. The victory attained by the hon. member who is now sitting in this chamber was not one to be wondered at. That constituency has always been Liberal. If hon. members will look up the records they will see that for the last ten or fifteen years the Liberal candidate in the county of Madawaska has received almost three votes to every one received by the Conservative candidate.

Mr. DUPUIS: They are intelligent people.

Mr. SMITH (Victoria-Carleton): Even though there may be a sort of buoyant hope in the minds of hon. gentlemen opposite; even though they may find it necessary to capitalize on this period of depression through which we are passing in order to try to gain the good will of the electorate, I question very much when the time comes for the people to sit down and think seriously on the question whether they will place their confidence in a party which has no policy to submit to them. I shall touch upon this feature later in my remarks.

I stated a moment ago that my constituency was a farming constituency. It runs for a distance of about 150 miles along the international boundary. The principal cash product grown in the constituency is potatoes. Under normal conditions the potato crop of the maritime provinces is valued at about $14,000,000, or twenty-five per cent of the total crop produced in Canada. The former markets for our table stock were the island of Cuba, the United States and the provinces of Quebec and Ontario. These provinces bought freely from us because of the superior quality of the product grown in Prince Edward Island and New Brunswick. But these markets were closed during the years hon. members were in power. The market in Cuba was closed to us by reason of the high and abnormal duties placed against this product in 1928 or 1929, shortly after a treaty agreement was made with the British West Indies by the former Liberal government. That treaty precluded the possibility of any arrangement being made with Cuba under which we could enter into reciprocal trade relations which would absorb the surplus potatoes grown in Prince Edward Island and New Brunswick. There are those who say that the present government is making no serious attempt to gain access to the Cuban market but if these people knew the facts as they should, they would realize that it is impossible to negotiate with Cuba while the treaty exists between Canada and the British West Indies. I do not say that that treaty was wrong, nor am I stating that the government of that day did wrong in negotiating such a treaty; I say that it was the means of shutting the door absolutely and making it impossible for us to trade or negotiate with a country which had been buying a large part of the surplus table stock of Prince Edward Island and New Brunswick.

I am rather surprised at the attitude taken by the Liberal members in this house with regard to the farmers. I think it can safely be stated that ever since I came to this house in 1930 the Liberal party has opposed most strenuously every bit of legislation which was brought forward in this chamber to open wider markets for the agriculturists in this country. I mention first the Ottawa agreements. Those agreements were consummated after very careful thought on the part of representatives of all the countries of the British Empire who gathered here and sat around a table for days and weeks; men who were sent here, supposedly because they possessed that degree of intelligence which would qualify them for the duty they had undertaken; men who had a thorough understanding of the conditions prevailing in the different parts of the British Empire which they represented. After most careful thought and deliberation and, as well, in a spirit of cooperation they entered into certain agreements which they believed would enure to the benefit of the British commonwealth of nations.

Now what did we find on that occasion? The liberal party in this house most strenuously opposed those agreements. In spite of the fact that they had been passed in the British House of Commons in a very short time, the Liberal party in this country opposed the agreements, led by the present leader of the opposition (Mr. Mackenzie King). I say this with all due respect to the right hon. gentleman—and I do respect him, I must say. I respect him because of the position which he has held as Prime Minister of this country and because of the position which he holds to-day as leader of the opposition, which is one of great responsibility and not an easy one to fill. But I do say that he and his party had very little vision when they attacked the Ottawa agreements, which were entered into, after very careful deliberation with the

object of benefiting the farmers, of benefiting the lumbermen, the fishermen, the fruit growers and other producers all down the line. One could go on enumerating the different avenues of trade which these agreements were intended to assist. Yet the Liberal party strenuously opposed the agreements, and the leader of the opposition has gone so far as to say on different occasions that if the time ever should come—and heaven knows that I for one hope it never will come—when he is returned to power he will destroy the agreements. In view of the great benefits which we have derived from them in the short time that they have been in force, and what they have meant to the different industries of this country, I challenge hon. gentlemen opposite to take that ground and maintain it when the time for an election comes.

Let me give you some of the words uttered by hon. gentlemen, for I have copied them from Hansard. The leader of the opposition said on one occasion that the agreements constituted a tariff wall around the empire. It was a "Tory conspiracy"; it was undeserving of any support from any quarter. Now what will be the attitude of the right hon. gentleman when it comes to a general election? Let me tell him that he can no longer go into British Columbia and preach one doctrine, into Ontario and preach another, into the maritimes and preach still another. The day has come when men can be heard everywhere over the radio; thank God for that. From one end of the country to the other we can hear the policies they are enunciating in any part of Canada and for which they are asking the support of the people. Well, the leader of the opposition claimed that the treaties were undeserving of any support. But while he was making this declaration, what did the ex-Minister of Agriculture (Mr. Motherwell) say about them? He declared, as you will find if you will look at Hansard, page 352 of the session 1932-33, that we on this side of the house had "swiped the Liberal policies in broad daylight," to use his own words—and this although the leader of the opposition had just said that the policies embodied in the trade treaties were a "Tory conspiracy." When the vote was taken the ex-Minister of Agriculture voted against the treaties notwithstanding that he had uttered the words I have just mentioned. And the hon. member for Yorkton (Mr. McPhee), who gave us such a wonderful dissertation on the budget a few nights ago—

Mr. BROWN: Wonderful is right.

Mr. SMITH (Victoria-Carleton): Yes, "wonderful" is right. Perhaps the thing he dwelt upon most was the red blood that came in free of duty. He did not refer to the tariffs placed against Canada by Italy, Germany and France while his government was in power. He did not refer to the duties imposed against potatoes going into the island of Cuba. He did not refer to the Hawley-Smoot tariff, which practically amounts to an embargo against potatoes going from Canada into the United States. He did not refer to these matters of major importance, but he did discuss a few trivial things that might possibly catch the ear of the house and of the electors of his own constituency.

Mr. DUPUIS: He did not refer to fifteen cents a bag potatoes either.

Mr. SMITH (Victoria-Carleton): The hon. member for South Perth (Mr. Sanderson), speaking of the agreements, said that there was nothing in the treaties to give any consolation to the people of Canada. That was very mild for that hon. gentleman—"nothing in the treaties to give consolation to the people of Canada." But let me go on. The genial doctor who sits in the back seat representing Wellington (Mr. Blair) said that now that he had seen the schedule farms would be for sale because there was nothing in the treaties to help the farmer; and the equally genial member for Vancouver Centre (Mr. Mackenzie) declared that the concessions given were vague and illusory. Let me say to my hon. friend that even though the concessions granted might be vague and illusory, it is interesting to look at what has resulted from them. Let me tell him what the result has been. We have had, during the eleven months from April 1, 1933, to February 28, 1934, as compared with the same eleven months in the previous years, an increase in exports to the British Empire of 21 per cent. To the United Kingdom the increase was 20 per cent; to Australia 54 per cent; to British South Africa 61 per cent; to British India 44 per cent. Along with these increases go large increases in exports to foreign countries.

It will be recalled that during the discussion of these treaties it was said that they would make it absolutely impossible for us to maintain our export trade with foreign countries; yet I find that there is a considerable increase in exports to foreign countries, because they are fifty-one per cent higher than they were a year ago. This establishes that the claim of the Liberal party that the treaties would prevent trade with other countries is also wrong.

I think the time has come when every good Canadian is anxious to buy more from the British people and to sell more to them, and

our import trade is also growing. Compare the imports for February 1934 with those of the corresponding period in 1933. What is the result? Even from foreign countries there is an increase of 41 per cent. From the United States there is an increase of 43 per cent; from China an increase of 31 per cent; from Japan an increase of 39 per cent; from Germany 51 per cent, from the British Empire 45 per cent, from the United Kingdom 41 per cent, from British India 114 per cent, from Australia 182 per cent, and from New Zealand 102 per cent. Thus it will be seen that not only have our exports increased but our imports have increased as well under the trade agreements entered into in Ottawa two years ago.

I think it may safely be said that an honest attempt has been made by the present administration to solve the problem of wider markets. Yet we have had opposition to the marketing act, which I trust will soon become the law of this country. From the very day that bill was introduced it has been met with opposition of the most flagrant kind. Let me say as one who has been engaged in exporting produce on a large scale for the last thirty years, one who has been associated with the shippers of New Brunswick and the New Brunswick Potato Exchange, that many times during that period have we felt the urgent necessity of legislation of this kind to make it possible to carry the products that the farmer was raising and ensure orderly marketing of those products. What are the objections to this act? In the first place it is urged that it involves compulsion. Well, if the compulsory features were taken out of this bill I would not give a five cent piece for it. Then it is said that these things should be submitted to the House of Commons. We have had the House of Commons here ever since confederation, we have had opportunity to submit to the house questions affecting the farmers, and how far have we got? Hon. members have talked about agriculture being the backbone of this country, but how far have they gone towards assisting agriculture? We assist the railways; we do all we can for the insurance companies and all the rest, but I charge that we have left the agriculturist alone; the attention we have given him on most occasions has been mostly lip service. Now this government have grasped the situation; they have brought down a bill, and placed it before the members representing the farming constituencies. I ask hon. gentlemen opposite how many letters they have received from their constituents taking them to task because of the opposition they have offered to this measure; it would be really refreshing to know. It may be that they will have to face the farmers. Let me say that I shall be proud to face my constituents if the time ever comes again, and show them what this government have done and are doing in an honest effort to relieve the distressed condition in which the farmers have found themselves in recent years. We hear a great deal about the distress of the farmers; let me tell you that the farmers in my constituency have been fighting with their backs to the wall for the last few years. They have had a hard time to keep their farms, pay the interest on their mortgages, pay their store bills and keep their families alive. They have not complained very much; they have not asked for bonuses. As far as bonuses are concerned I am opposed to the principle from first to last. I do not believe it should ever have been adopted in this house. Most of the provinces are opposed to that system. The lowering of freight rates to assist the farmers is all right, but when it comes to bonusing any article or commodity of which there is already a surplus it simply stimulates production and the condition is aggravated rather than helped. I trust that the time is past when governments will resort to bonusing any article of production, at least any of which we have a surplus.

Yes, our farmers have been fighting with their backs to the wall. We have in my constituency a good many farms that are mortgaged, and the men on those farms find it difficult to pay the interest on the mortgages. Some have borrowed money from the Canadian Farm Loan Board. The Canadian Farm Loan Board was instituted in 1929. The government made available to them $5,000,000 to lend to farmers, and laid down the terms on which loans should be made. I have in my files a list of the loans that have been made by that board since its inception. It is a striking thing that during the last year the loans number just about half as many as in the year before. I have only the statistics to March 31, 1933. I should like to place these on record so that my constituents at least will have an opportunity of seeing what has been done through the Canadian Farm Loan Board. The figures are as follows:

	Total number of loans
1930	1,965
1931	1,458
1932	1,049
1933	536

I know that it is a difficult matter to lend money on farms, with due safeguards. The utmost care should be exercised in making these investments. But there are provincial boards; every province passed enabling legislation to work in conjunction with the Canadian Farm Loan Board. These provincial boards appoint a superintendent or an inspector, and when an application is made by a farmer an inspection is made and a report sent to the provincial board, which in turn sends its report to the dominion board. I regret to say that during the last year or two, when the farmers of my constituency were really crying for assistance at a time when it meant to them holding their farms rather than losing them, and when they were prepared to offer satisfactory assurance that loans would be paid, the security being more than one hundred per cent, really three times the amount of loan they asked—notwithstanding all this, loans were not available. Let me give an illustration. I know one man who asked for a loan of $600 on a property that under the worst conditions would bring $2,000, and he could not obtain it. I know several instances, which I shall not take the time of the house to cite, in which the Canadian Farm Loan Board has turned down applications for loans from New Brunswick and from my constituency. I am glad to know that the government is bringing down legislation of some kind to help along this line, which shows that this administration is fully alive to the necessity of doing something tangible to assist the farmers, being the first administration to do so in the history of this country. What the farmers want is not money at seven or eight per cent interest; they want to be able to borrow money at reasonable rates, and if the banks can get money from the people at 2 or 2½ per cent they ought to be willing to lend that money at one hundred per cent profit at the most. The farmers are the people who should get the benefit of that cheap money, and until they do get that benefit I am satisfied that we shall continue to have deficits on our railways, relief bills and all these other things that would be adjusted if the agriculturists were given a fair chance to obtain that which is their due for the products they produce.

I do not want to refer at length to the tariff, but I should like to say a word in that regard. Just a few nights ago in this house the hon. member for Prince (Mr. MacLean) and the hon. member for Weyburn (Mr. Young) took the government to task because they had not relieved the farmers by removing the duty of ten per cent on fertilizer. Let me tell those gentlemen what that ten per cent means to the provinces of New Brunswick and Prince Edward Island. We have one plant in East Saint John, operated by the International Fertilizers Company, which covers nearly four acres of ground. Six weeks ago they had a million dollars' worth of chemicals in that building, twenty-seven thousand tons of fertilizer ready to go out to the farmers of Carleton and Victoria counties and even of the state of Maine. Yet these gentlemen would have us remove that ten per cent duty and have that fertilizer mixed in Baltimore, where it was prepared before the ten per cent duty was imposed. The plant to which I have referred gives employment to a large number of men in Saint John; it is one of the most up to date plants in the world, and obtains its chemicals from many different countries. They go to Germany and France for their potash; to Chile for their nitrate of soda; to the United States and the Netherlands for their phosphate, and their sulphate of ammonia is secured in Europe as well. So you see that this is a cosmopolitan establishment. Steamers come there from time to time bringing these ingredients which enter into the manufacture of our fertilizer; the railways are given freight, and we supply not only the people adjacent to that plant but also many people in the state of Maine. If the ten per cent duty were taken off, you would find that the fertilizer would be mixed in the United States, where it was mixed before that duty was imposed.

Let me say further that when the mixed fertilizer came in from the United States it was very difficult for the farmer to know the exact value of that fertilizer, and whether it was composed of the ingredients indicated upon the bag. Now we bring in the chemicals; we mix them there by an up to date mixing process, by which they are thoroughly blended. The fertilizer is dried and put into bags, and shipped out to different parts of the country as well as to the United States. They also have a plant in Prince Edward Island, and this industry means a great deal to the farmers of that province. In the first place they know exactly what they are buying, and they do not pay $75 or $90 a ton for it, as they did originally. The ingredients are brought to Saint John and compounded there; the farmers have an absolute guarantee as to what they are getting, and they buy that fertilizer for $25 a ton.

In conclusion, Mr. Speaker, may I say that a great deal of fault is found with this government by hon. gentlemen opposite.

Some hon. MEMBERS: Hear, hear.

Mr. SMITH (Victoria-Carleton): A great deal of fault is found with the Prime Minister.

Some hon. MEMBERS: Hear, hear.

Mr. SMITH (Victoria-Carleton): His opponents say he is an autocrat and a dictator.

Some hon. MEMBERS: Hear, hear.

Mr. SMITH (Victoria-Carleton): But I will say this, and I wonder if they will say "hear, hear". He is also a man of courage, and when the time comes I believe the thoughtful people of this country will say that he has not tried to do that which is expedient but rather that which is right. He is a real Canadian, a true hearted imperialist, and no better, nobler tribute could be paid to any living Canadian.

Mr. J. H. HARRIS (Toronto-Scarborough): Mr. Speaker, I am quite sure members in all parts of the house will agree that the budget speech delivered by the Minister of Finance (Mr. Rhodes) this year gave a very good picture of the conditions that exist in Canada to-day. The picture is one of which the country may well feel proud, and I think this government in particular can be very proud of the facts there set out.

The hon. gentleman who has just taken his seat (Mr. Smith, Victoria) has traversed a good many matters of real importance, and I congratulate him on his efforts.

The business improvement and reviving confidence shown by the expanding revenues of the country during the last twelve months are particularly pleasing to us when we note that this upturn has been widespread, covering the length and breadth of the land. In addition, Mr. Speaker, it has been sustained during the winter season much more than has been the case in former years. Our unemployed have gone back to work to the extent of from ten thousand to twenty thousand per month; since February, 1933, 315,000 of our citizens have returned to gainful employment. The physical volume of business stands very high in Canada in comparison with other countries. Taking 1928 as 100 the physical volume of business in the United States moved from 56 to 67, an increase of 19 per cent. In Germany it moved from 64 to 74, an increase of 16 per cent. In Great Britain there was an increase of nine per cent and in France an increase of three per cent. In Canada, however, the bureau of statistics lists forty-five economic factors, according to which the figure for Canada moved from 52 to 72, or an increase of 37 per cent.

[Mr. B. F. Smith.]

In practically every line of business the same picture will be found. During the year just closed the consumption of electrical energy reached the figure of 1,795,000,000 kilowatt hours, as compared with 1,299,000,000 kilowatt hours a year ago. That indicates, sir, that there is a great deal more industrial activity in Canada to-day than there has been in the past, and that we are fast getting back to the position we once held. The increase in electrical consumption in Ontario alone during the last three years is 48 per cent.

One other feature touched upon in the budget, and which gives an indication of activities in Canada, is that of car loadings. In the twelve week period just closed we have witnessed roughly 500,000, or to be exact, 495,000 cars of goods loaded. A year ago in the same period we had loadings of only 400,000 cars. This increase is due largely to the increase in physical volume, but it is due in part also to the cooperation between the two railway companies—yes, and the cooperation between the railway companies and those manufacturers who have goods to load into the railway cars. The railways have at last awakened to the fact that they could not allow this motor truck competition to continue to grow in the manner in which it had been growing, or eventually they would go out of business. They have realized that the inflexible hard and fast rules in vogue a decade ago in railway freight operations do not obtain to-day and that if the railway companies are to stay in business those rates cannot obtain to-day. The leadership given by this government in demanding that they cooperate has gone right through the whole organization, until to-day the railways are cooperating with all kinds of industry. When they find that a certain industry is using motor trucks for the transportation of its goods they come in, examine the books of the company in question, and see whether or not they can transport the goods manufactured for such and such a price, thereby meeting the truck competition. The result has been that in the final analysis this wasteful method of transporting goods in Canada—probably I should not use the word "wasteful" but should say non-economic—which has been in use despite the fact that we have had rails and cars lying idle, is fast being done away with. The increase of 95,000 car loadings in the last twelve weeks can be attributed to the cooperation the railways are giving to those companies which have goods to transport from point to point.

Another feature worthy of consideration is that some two or three years ago—we may take February 1932 or February 1933 as an example—when commodities were probably at the lowest price levels at which they had been for many decades, frieght rates remained at the old level. The rates would not permit of the movement of low priced commodities from points of origin to points of consumption. Three years ago the railway companies were practically inflexible in the matter of rates. They would not give consideration to moderating a freight rate so as to permit the transportation of a commodity which had gone down to probably a quarter of its proper value, and because they would not permit the lowering of the freight rates they lost the freight business.

Yesterday in Toronto I witnessed an actual illustration of the change which has taken place. Goods which were bought some four years ago in the city of Kingston on account of the freight rates could not be moved to Toronto. The soliciting freight agents of the Canadian National Railways and the Canadian Pacific Railway have to-day under review the movement of some 300,000 pounds of such goods from Kingston to Toronto. They now realize that the goods in question are worth only $4 a ton, and they realize also that a freight rate of $2.95 a ton is much too high. With that in mind the two railway companies are cooperating to see if they still cannot make money on the transportation of this material, and bring about a condition whereby it would be practicable for the consumer to move to Toronto the goods lying at Kingston. What applies to the commodity in Kingston applies to the extent of a thousand tons per year to the same commodity to be moved from Kitchener to Detroit. In like manner we have examples of what is happening in Canada in connection with the movement of other types of goods, and our attention is directed to the cooperation between the railway companies who are trying to meet the difficult situation in which manufacturers of low priced commodities find themselves when they are confronted with the necessity of moving their goods not only to points of consumption in Canada but to points abroad.

It was my pleasant experience yesterday to see some messages exchanged between Toronto and London, England, the result of which will be the movement of some 500 tons of goods between now and next August, part to London and part to Liverpool. In this instance the commodity in question is one which has never before left Canada's shore, a commodity which now finds its way into the British market because business is on the uptrend in Great Britain and, secondly, because the railway companies who only two short years ago asked a freight rate of 44½ cents to move the goods from Toronto to the seaport now give a freight rate of 25 cents. Whereas formerly it would have cost $8.90 per ton to move the goods to the seaport, it will now cost only $5. That difference of $3.90 per ton on a movement of 500 tons to Great Britain controlled the decision as to whether or not this material would go to Great Britain or waste in Canada. So I say to this government that in asking the railway companies to cooperate it has been doing a good service to Canadian industry.

What applies to freight rates applies also in a measure to passenger traffic. We have had definite indications as to what has been going on in this connection. Many of us do not mind taking an upper berth if by doing so we help the railway companies to balance their budgets. The week end excursions which are again being patronized are bringing the railway companies back to the field in which they belong. I say that more and more of this cooperation and more flexibility in railway management will do much to solve our railway problems and will make more work for those who find their vocations in transportation. It will tend further to keep manufacturers out of the transportation business. I ask this: If you are a manufacturer, what right have you to have a fleet of motor trucks and go into the transport business? That is not your business. Leave the transportation business to the transportation companies. People in industry should realize that every time they patronize motor trucks they are a real detriment to Canada's railways. The staffs and organizations of those manufacturing concerns are giving too much time to transportation problems and to a business with which they are not concerned, time that could be better employed in the organization of their own businesses. Let the business man who is manufacturing a certain article stick to his last so that the man engaged in transportation may have a chance to live, and so that this country, which is now over-railroaded, will have a chance at least to come somewhere near balancing its railway budget. By an improvement in railway operations men now unemployed but who are trained in railway work would find themselves in a position to return to their vocations.

Mr. SPENCER: Would the hon. member state what commodity was sent to Great Britain?

Mr. HARRIS: Yes. The commodity was the leather scrap which is trimmed from hides when the hides are tanned and used for leather of all kinds. There is the pate, the snout, the lip, the ear, the dew claws, the shank pieces and the sinews. I could go into more detail if I were in another place. These commodities are used in the manufacture of photographic film, and that is what I had in mind in the remarks I made. The production in Canada of these raw materials amounts to nineteen million pounds a year, the consumption in Canada about thirteen million pounds a year, and the waste which is now being burned as fuel under boilers or being thrown on garbage dumps, and so on, approximates seven million pounds a year, to my knowledge. That is in answer to the hon. gentleman's question.

I was saying that the physical volume of trade is increasing in Canada. We are also pleased to note that the unemployment figures are getting less and less. I should like to put on record the figures of the international labour office showing that Canada has had a gain in employment of 21 per cent, Japan 11 per cent, South Africa 11 per cent, Sweden 2 per cent, France and Switzerland a decrease each of 1 per cent, Great Britain an increase of 7 per cent. In the United States they have had an increase of 26 per cent. I am very glad to see that increase in employment in the United States. Like others I am very anxious to see that great country prosper and go ahead even with their experimental policies such as the N.R.A., the A.A.A. and their various codes. It is vital to Canada that the United States should prosper, because we are a population of ten millions living alongside a population of 120 millions. No matter what happens over there we realize that it must have its reaction over here. But, Mr. Speaker, I like the Canadian way of going about the reconstruction of our economic system. We could not afford to carry on the experiments that they have been trying. We have been relying on our experience. We have not shaken the traditions of our people or tried to remould them into some new form in order that we might live and work out our economic salvation. You might say that we have just let things drift. Whether we did or did not, it was far safer for Canada to travel along the line of experience in the last few years than to launch into a system of experiments such as are being tried on the other side of the line. I am not criticizing the N.R.A., but I have seen the trend of Canada's business shut off from the markets of the United States by the tariffs

of which my hon. friend spoke. I shall not enumerate them now. But I have seen Canada, a people of ten millions, cut off from a market which they had been supplying to the tune of many millions of dollars, and yet we have survived.

We have been criticized for negotiating a treaty with the motherland. Before I am through I am going to try to convince the house that that treaty was really worth while. I started out to say that we have stuck to the old lines of experience and tradition in the conduct of our affairs. We have avoided launching on such gigantic experiments as are being made on the other side of the line, and what has been the result? While they have their six hour day and their codes and all that sort of thing, the figures up to date show that they have not met their unemployment problem to any greater extent than has Canada. The physical volume of our trade has improved much faster than that of the United States in proportion. We have much less distress in industry in Canada than they have in the United States. Above all, the one factor which has made it possible for Canada to come through this time of stress and strain has been the imperial preference pacts.

The government in power to-day is the poorest group of advertisers that I have seen in this house since I came here twelve years ago. They do not seem to have any idea how to tell the people of Canada what they have really done for this country. They are very poor advertisers, and I say to them now that it is their duty and that of the Conservative party, as I see it, to tell the people of Canada what they have really done during the last three years.

This government has not only maintained the price level but raised it, and it has stayed away from inflation. It has raised the price level by 13·4 per cent in one year, and may I sound a note of warning at this point. In England the price level has been raised by 9·2 per cent; in Canada by 13·4 per cent, and I think that is fast enough.

One satisfactory feature of the rise in wholesale commodity prices in the last twelve months has been that the most of it has taken place in agricultural products. The average rise in agricultural products has been 35 per cent. One product in particular has been spoken about very much in this house; I shall therefore say just a word or two about it. I refer to the hog industry. For the last twenty years there has come to my office

every morning a full report of what is happening in the Chicago market. Day after day during the last two years I have observed the slaughter of sows and little pigs that are not desirable for edible purposes, until the time was reached when sixteen million were slaughtered and thrown, you might say, into the ash heap. Yet in spite of that, each morning when I picked up the Chicago market reports I see that hogs are selling on the Chicago market and on the twelve western markets at from $3.40 to $3.70, $4, $4.10 and $4.30 per hundredweight, while in Canada the price of hogs has risen in one year from four cents a pound to eight cents.

I wonder if the hon. member for Yorkton (Mr. McPhee) is somewhere around the house. Perhaps someone will send a page after him because I am going to say something in a few minutes that he will not think is very kind of me. I will say it now. When that hon. gentleman in a speech in this paper says that not a farmer in Canada has got a copper out of the imperial trade agreements, surely he is stretching the point a little. If the farmers on this side of the border are getting eight cents a pound for select bacon hogs while farmers on the other side of the line are getting only four cents, surely those extra coppers are going to the Canadian farmer. That shows that the trade agreement has been worth while, and surely my hon. friend from Yorkton is far from the mark when he says that not a farmer in Canada has got a copper out of the imperial trade agreements. I am going to touch further on these trade agreements when he gets down to the chamber if somebody will send for him.

In the meantime, Mr. Speaker, I want to say something about expenditure. Ten years ago, speaking from the other side of the house, I made some suggestions with regard to the cost of running this country. At that time I thought that we had too much government in this country. I feel the same way about it now. We have too many members in our municipal councils. We remedied that in Toronto during the last year by reducing our city council by nine. We have too many members in our county councils, We have too many members in our provincial legislatures. We remedied that in Ontario by reducing the numbers by some twenty odd. Ten years ago, in 1924, at page 204 of Hansard, I made the observation that I had the pleasure at that time of representing 110,000 constituents. To-day I represent only 80,000. The constituency was cut in half and later increased to 80,000 constituents. I made the suggestion that I was quite willing to endeavour to represent 100,000 constituents in this house. The civil service has been cut by 12,000, in addition to the salary deductions, and if we cut the representation in this house by half we would still be able to govern the country fairly well. When the British North America Act was passed we did not have the radio and there were no automobiles. To-day we can travel ten times as fast and reach a hundred times as many people with the same effort. A number of hon. members could do twice the amount of work they are now doing while a number are doing twice the amount they ought to do. If hon. members would cut out half the drivel they send out of this building and stop half the agitation that is being raised in the minds of their constituents; if they would work full time and serve twice the number of people, we would not be stirring up the people half as much. I am quite serious in this. We are far away from the old days of confederation, and I think there is a great possibility of cutting down the cost of government. We should try to get the people to stop leaning so much on the government. A good deal of the correspondence which goes out of this building is caused by our constituents thinking that the government can do something for them. Individual enterprise and a little sand and backbone will do more for a man than can any government. If I may be pardoned for repeating, with our motor cars and our radios and so on, with the possibility of contact with our constituents, I think each hon. member could represent twice the number of people he is now representing. We would not be bothered with the amount of correspondence with which we now have to deal and the people would not be leaning so heavily on the government.

I think we are all pleased with the trend taken by our trade balances. This balance was unfavourable by $100,000,000 in 1930 while in 1934 it is favourable by $150,000,000. I do not intend to reiterate what the hon. member said just now with regard to the increase in our trade with Great Britain, but inasmuch as the hon. member for Yorkton (Mr. McPhee) is not yet in his seat, I intend to answer his remarks and he can read it in Hansard to-morrow. He said that not a farmer in Canada has got a copper out of the imperial trade agreements. There are a little more than 10,000,000 people on this side of the water while there are 45,000,000 in Great Britain and 300,000,000 in India. Our trade

last year increased to the tune of $50,000,000. What was that trade in? Do the farmers of this country know that Canada stands first in the British market with wheat, wheat flour and raw apples? Are these farm products? She stood first in hewn hardwood, zinc, patent leather and rubber boots and shoes. She stood second in oats, hams, live cattle, cheese and manufactured tobacco. Are these farm products? She stood second in sawn hardwood, copper and lead and writing and printing paper. She stood third and fourth and fifth in bacon, canned salmon, hewn softwood, sawn softwood, undressed leather, barley and wrapping paper. My hon. friend has said "not a copper," but I am going to try to illustrate how the imperial preference worked out for Canada last year. He does not seem to understand this matter of dollars and cents so I shall try to illustrate it in another way. The hon. member for West Lambton (Mr. Gray) had something similar to say in this connection. In case he does not understand it, I will try to tell it to him in another way. Before I do so, I should like to read a letter I received from Mr. Coats, the dominion statistician. This is dated May 10, 1934, and reads:

> In reply to your letter of May 9, the lumber exports which you quote are correct, as are also your deductions.

Here are my deductions. With the excess of lumber shipments last year over the year before to Great Britain you could build a twenty foot board fence reaching from Halifax to Vancouver. If the same excess were used in constructing a wooden sidewalk made of two inch planks, ten feet wide, it would reach from the Atlantic to the Pacific. I ask the hon. member for Yorkton if he can understand that. The shipments of apples under the imperial preference increased from 1,530,640 barrels to 2,983,143 barrels, an excess of 1,452,503 barrels. If a raft were constructed of barrels five in a row and placed on the Ottawa river, it would reach from Ottawa to Montreal. Perhaps the hon. member for Yorkton knows what a raft looks like when it is five barrels wide and reaches from Ottawa to Montreal. That is what the imperial preference did. A steer is anywhere from seven to nine feet long from head to tail, depending upon whether the tail is down or straight out. Shipments of steers to England have increased from five to twenty to fifty-five thousand per year with the help of the imperial preference. If the excess of steers shipped last year over two years before were tied head to tail they would reach from Ottawa to Montreal. If the excess shipments of eggs shipped last year over the year before to the United Kingdom were laid side by side they would reach from Ottawa to Halifax. My hon. friend does not understand what a copper is but perhaps he can gain some idea of the magnitude of this shipment of eggs. We have about 22,000,000 laying hens in Canada. If they were placed on this ten foot sidewalk, they would reach from Atlantic to the Pacific. If a gun were fired and they all got the notion and laid an egg at the same time, we would have the number of eggs shipped last year to Great Britain in excess of the number shipped the year before. I see the hon. member for Yorkton has not come in yet. I am trying to talk in his language, because being a lawyer he does not seem to understand what dollars and cents mean. If the cans of fruit and vegetables shipped last year in excess of the year before were placed end to end they would reach from Winnipeg to Halifax. If the copper shipped last year in excess of the year before were made into ordinary No. 14 Browne and Sharpe gauge wire, the ordinary commercial copper wire, it would make 2,074,848,000 feet of wire. It is 25,000 miles around the earth, and this wire would go around fifteen and a half times. Bacon moved from twenty, to fifty, to eighty-three million pounds. Now, if you took all the hogs which it would require to produce that bacon and put them into one corral our friends on the opposite side of the house could not possibly, during the next ten years, make as much noise as they could. If you took that same bacon in the form of breakfast bacon you would have a ribbon of rashers that would go around this world five times. Perhaps my hon. friend from Yorkton does not know anything about coppers, dollars and cents, but at least he will have some idea of the magnitude of this imperial preference, in view of what I have said.

Fifty years hence when some of you young chaps are still here—and I hope the lady member will still be here—you will read in history that in a country called Canada there had been some great achievements. You will read that an act of confederation was passed in 1867 and that later on a national policy was instituted. Still later in a great war Canada did some great things for her mother country, and a little later on in the years 1931, 1932 and 1933 certain trade agreements were initiated with that country. These will be the high spots, and there will be recorded the names of a few men. There will be Macdonald and Cartier, and probably there will

be mention of the name of Laurier, the man who perpetuated the national policy. History will also record the fact that some speeches were made by some hon. gentlemen opposite who called themselves Laurier Liberals—not Hepburn Liberals or McQuibban Liberals or even King Liberals. It will also be recorded that other people made speeches—people who liked to call themselves Bennett Conservatives. And along with these achievements history will record the names of certain statesmen, among which there will be, in a bright and high spot, the name of the Right Hon. R. B. Bennett.

Hon. W. D. EULER (North Waterloo): I am sure my hon. friend from Toronto-Scarborough (Mr. Harris) will forgive me if I do not reply to his original arguments so picturesquely expressed. I had no intention whatsoever of participating in the budget debate, and I speak only now because of a certain sense of duty that someone in this house should make a protest at the persistent and continual attacks that are being made not only upon the late government, but also upon the memory of a man who has passed away, with regard to the national railways.

Mr. McINTOSH: Let the dead past bury its dead.

An hon. MEMBER: You would like to bury it all right.

Mr. McINTOSH: It will bury you.

Mr. EULER: As a believer in the public ownership of the national railways I have always felt that they should be kept out of politics. My good friend the Minister of Railways (Mr. Manion)—I say that sincerely and I think he will take it so—and others, both in this house and in previous meetings of the parliamentary committee on railways, have persistently made charges of extravagance with regard to the railways not only against the King government but against the late Sir Henry Thornton. These statements at the time were perhaps not refuted by some of us as strongly as they should have been. We had a motive in that. For my part I always felt that the attacks that were being made on the railways were made by some at least to discredit public ownership and by others for reasons which I need not give here.

As I say, I have always felt that the railways ought to be kept out of politics if they were to be made a success, and if apparently I trench upon politics the fight is not of my making, because politics was introduced into the debate this afternoon by my friend the Minister of Railways.

Mr. MANION: No; it was introduced by a number of others who preceded me, the hon. member for Shelburne-Yarmouth (Mr. Ralston) among them.

Mr. EULER: I should like the house to bear in mind that, after all, the constituent parts of the Canadian National Railways as they are now, were taken over by a Conservative government, and the heavy liabilities which we are now carrying, and the heavy interest charges which we find it almost impossible to pay, are the direct result of that action of a Conservative government in taking over the railways some years ago.

Mr. BELL (Hamilton): You were nine years in power; why didn't you stop it?

Mr. McINTOSH: That is a part of history; you cannot deny it.

Mr. EULER: I would point to a statement I made in the house, quoting from Hansard of a good many years ago, when the railways were first taken over, when the right hon. gentleman who is now Prime Minister (Mr. Bennett) said that at the time the Canadian Northern was taken over by the government it should have been allowed to go into the hands of a receiver and taken over at a fair price. Perhaps he was right, but apparently his party did not agree with him. But if this had been done, then probably two or three or four hundred million dollars of obligations on which we are now paying interest would not be a burden on the people.

What did we acquire in these railways? We acquired a conglomeration of four so-called railway systems—the Canadian Northern, the Grand Trunk Pacific, the Grand Trunk Railway and the Intercolonial Railway, which we had already had. I call it a conglomeration of railway systems. Then just as they had been taken over the Liberal party came into power, and they chose Sir Henry Thornton for the great task of welding these railway systems into one great system capable of competing with the Canadian Pacific Railway. I leave it to every member of this house and to the people of this country whether the work he undertook was not a colossal task. He had the duty of coordinating these different railways into one great system. He had to buy a great deal of rolling stock, because on most of the roads the rolling stock was quite insufficient. He had to buy heavier motive power, larger locomotives; bridges had to be rebuilt; and heavier rails had to be laid. And the cost was very considerable. It took hundreds of millions of dollars—regarding which there has been so much criticism—money properly spent.

to put the system into that condition in which it could compete with the Canadian Pacific Railway.

Sometimes I am almost convinced that the reason why there is so much criticism of the Canadian National Railways is that they were made capable of competing with the great Canadian Pacific Railway. Hundreds of millions of dollars were voted by this house for the purposes of the Canadian National Railways. As has been said before, our friends who are now sitting on the other side of the house and who at that time were on the opposition benches voted for these grants, and without any opposition; and I was surprised this afternoon to hear the Minister of Railways say, when he was challenged on that point, that he had never made objections to voting these large sums of money. Perhaps I am not using his exact words, but this is the sense of what he said. He said it was as much as a member's life was worth to do anything that was in opposition to the wishes of Sir Henry Thornton.

Mr. MANION: Political life, I said.

Mr. EULER: All right; does it mean my hon. friend places political life above the interests of this country?

Mr. MANION: Apparently my hon. friend did when he was a member of the government that permitted the extravagance that went on.

Mr. EULER: I never admitted they were extravagances. My hon. friend said they were, yet he countenanced them.

Mr. MANION: $200,000,000 worth.

Mr. EULER: I would like to ask in perfect good nature whether that is an example of the red-blooded Canadianism of which he loves to speak.

Mr. MANION: I do not need to learn Canadianism from you.

Mr. COTNAM: Millions of ties the year before election.

Mr. EULER: I will say something about ties in a moment. Then came the depression. Everyone in the country felt the depression, the railways as all other businesses. Industrial firms had expanded at that time beyond all reason. We all thought—I think I may say that—almost every citizen of Canada, in private life, in business life, in parliamentary life, thought that we had entered upon an era that would be prosperous forever after, and we were all going to be rich and happy. And then we had the awakening, and the railways did not escape. Every industry suffered heavy losses; the railways suffered heavy losses. The railways naturally felt the depression in their revenues. They were exposed to greater difficulties than the average business was, for the simple reason that just at that time there became effective the most strenuous competition by trucks and automobiles. My hon. friend said this afternoon, and perhaps quite fairly, that the government should not be blamed so particularly for the difficulties which this country had experienced, because we had been passing through a great world depression. If he claims that justice for the government why does he not do justice in the same way to the railways? The railways suffered through the depression, and it is utterly unfair to blame the railways alone for extravagance in expansion when such blame is just as applicable to every other business carried on in Canada. The great competitor of the Canadian National felt the depression almost as much as the Canadian National itself. That of course was very largely the result of competition. I am not going to weary the house again with my opinions regarding railway competition. As I have said before, competition between the two railways of Canada is not the life of the railways but rather their death.

I want to make just one more reference to the address of the Minister of Railways this afternoon. He referred to political interference with the road while the King government was in power. He made the statement, I think, that the Liberals rolled the pork barrel from one ocean to the other and back again, and that the Canadian National had become a political club. I resent that statement. I happened to be a member of the King government in the last four years of its existence. I cannot recall a single instance while I was a member of that government when any political pressure was suggested in any respect whatsoever with regard to the running of the Canadian National Railways. I knew the late Sir Henry Thornton pretty well. On more than one occasion I asked him whether there was any political pressure brought to bear upon him, and he told me that from the then Prime Minister down he never was subjected to any political pressure by anyone in regard to the running of the Canadian National Railways. I said a moment ago I was not going to indulge in recrimination, and I do not desire to do so, but when the Minister of Railways makes the statement that the late government was exercising political pressure, patronage if you like to use the expression;

that a political club was made of the Canadian National, and that the pork barrel principle was being applied, I should like to say to him and to the house that these words come ill from the mouth of the man who said in the committee two years ago that out of twenty-eight tie contracts, twenty-seven were switched by him to Conservatives.

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

Mr. EULER: It is on the record. Now I have nothing more to say. I have tried in my feeble way to defend the memory of a man who is gone, a man who, I believe, did a great service for this country. He had the defects that great men often have. But I should like to close by suggesting that if we must fight partisan battles with regard to the condition of the Canadian National, let us at least allow to rest in peace a man who while here never was properly able to defend himself, and now is not able to defend himself at all.

Mr. MANION: Mr. Speaker—

Some hon. MEMBERS: Order.

Mr. BENNETT: He has a right to speak.

Mr. MANION: Yes, an amendment was moved after I spoke this afternoon, so I have a right to say a few words. I am going to say only a few words.

Mr. MACKENZIE (Vancouver): Mr. Speaker, I rise to a point of order.

Mr. BELL (Hamilton): Don't you know about the amendment?

Mr. MACKENZIE (Vancouver): My point of order is that the amendment moved this afternoon by the hon. member for Wetaskiwin (Mr. Irvine) is not in order.

Mr. BELL (Hamilton): Why didn't you raise that point earlier?

Mr. MACKENZIE (Vancouver): A resolution was moved on the 5th of February, 1934, and adopted by the present government, the last words of which are as follows:

—in order that they may absorb the goods produced, thereby creating a more equitable distribution of our wealth production.

The government officially accepted the details of that resolution, and it was unanimously adopted by this house. I submit with great respect that the words in the amendment now moved referring to the distribution of our present abundance are merely a repetition of the resolution adopted by the house on February 5, 1934.

Mr. SPEAKER: The amendment moved by the hon. member for Wetaskiwin (Mr. Irvine), seconded by the hon. member for Red Deer (Mr. Speakman), reads as follows:

This house, while appreciating the unusually difficult task of the government in attempting to administer the present system, regrets the undue delay in taking necessary steps leading to the distribution of our present abundance amongst the Canadian people.

It is now alleged by the hon. member for Vancouver Centre (Mr. Mackenzie) that the amendment is out of order on the ground that the matter therein dealt with was disposed of by a motion made by the hon. member for North Winnipeg (Mr. Heaps) on February 5, which motion reads as follows:

Whereas there still exists in Canada an acute unemployment problem, and

Whereas it is desirable that as many as possible of these unemployed should be absorbed into the industrial life of the nation;

Therefore be it resolved, that, in the opinion of this house, the government should take into immediate consideration the necessity of reducing the hours of labour of those engaged in industry, and also increase the purchasing power of the masses of our people in order that they may absorb the goods produced, thereby creating a more equitable distribution of our wealth production.

That motion was agreed to. The principle thereby enunciated was adopted by the house. The amendment now before the house does not propose a policy or advocate the adoption of a principle; it merely regrets the undue delay in taking necessary steps leading to the distribution of our present abundance amongst the Canadian people. It is merely a statement of regret that the principle adopted in the resolution of Mr. Heaps of February 5 is delayed in its execution. I therefore hold that this amendment is in order.

Hon. R. J. MANION (Minister of Railways): Mr. Speaker, I do not intend to delay the vote in the house, and I should not have risen except for the language of my hon. friend (Mr. Euler) in accusing me of attacking the memory of a man who is dead.

Mr. EULER: So you did.

Mr. MANION: I deny that I attacked the memory of any man who is dead; I did not mention Sir Henry Thornton's name this afternoon in any shape or form. I criticized the late government and I criticize them now for their absolute neglect of public duty in permitting the management of the Canadian National Railways to spend the huge sums that they spent on useless appurtenances to that railway, such as hotels, scattered from the Atlantic to the Pacific—

Mr. EULER: Did you ever make a protest?

Mr. MANION: I do not know that I did; I probably was not well enough posted. I was not a minister as my hon. friend was, and was not familiar with the amounts. My hon. friend who in this house and throughout the country boasts that he is such a great supporter of public ownership has been one of the deadliest enemies of public ownership in this country. He sat in a government that not only permitted but, I repeat, encouraged the expenditure of hundreds of millions of dollars by the Canadian National Railways that never should have been expended. He sat as member of a government which permitted hotels to be built at Halifax, at Saskatoon and at Vancouver; that permitted railway lines to be purchased all over the east and to some extent in the west; that authorized the expenditure of $50,000,000 for the Montreal terminals and of $40,000,000 to $50,000,000 for the construction of branch lines, perhaps half of which were needed, in the west. He was a member of the government which permitted ships costing $8,000,000 to be built on the Pacific coast which were never used and which are rotting at the docks to-day.

I had a right to say that the pork barrel was rolled from the Atlantic to the Pacific, I have no doubt under the direction of the government of which my hon. friend was a member. So we had the Canadian National spending these huge sums of money. There was the hotel at Halifax, which was not required at all since the Canadian National had agreed to go in with the Canadian Pacific for the construction of a hotel. That hotel was built, but a second hotel was built also, costing $2,500,000. There was a hotel built in Saskatoon costing $4,000,000, when the best that could have been expected was a million dollar hotel; that was the largest hotel that possibly could have been expected to pay its way. Then they spent $11,000,000 on the hotel in Vancouver, where no hotel was needed at all. That city is over-hoteled to-day, without that Canadian National hotel ever being opened.

Mr. EULER: My hon. friend knows that hotel was the result of an agreement which was made before Sir Henry Thornton came in.

Mr. MANION: Not that hotel.

Mr. EULER: Not for a hotel, but for something else.

Mr. MANION: The so-called shadow government concluded that agreement with the city of Vancouver and agreed to build a hotel costing $3,500,000. My hon. friend and his government increased that sum until it reached $11,000,000, and the contracts were let before we came into power. They purchased railway lines all over the east, not one of which ever paid operating expenses. They built ships costing over $8,000,000 to compete with the Canadian Pacific ships, when the Canadian Pacific were not making any money. These ships which cost $8,000,000 now are rotting away because there is no work for them. In all, in these items I have mentioned, they spent at least $150,000,000 that was absolutely wasted, not one cent of which was justified, but which was merely added to the capital expenditures of the Canadian National Railways. They added probably something like $8,000,000 or $9,000,000 a year to the bonded indebtedness of that railway.

But that was not all, Mr. Speaker. That was in a preelection year. My hon. friend suggests, in that high minded manner which he adopts here and in other parts of this country, that he was too honourable to permit any money to be spent on politics by the Canadian National. I say that entire amount of $150,000,000 was spent on politics. I believe I am justified in saying that the Liberal party permitted the pork barrel to roll from the Atlantic to the Pacific and back again for that purpose. Incidentally, Mr. Speaker, there was an amount of $600,000 placed in the estimates of 1929 for a hotel in Prince Rupert, a little place of fifty-five hundred people, where you could not build a $25,000 hotel and make it pay. That $600,000 hotel was provided for in the estimates of 1929, and we had to stop it.

That is only part of it; all through the Canadian National Railways, when we came into power, there were ridiculously high salaries. Just let me quote some of the salaries that were being paid. Mr. Gaston was receiving $62,000 a year, and my hon. friend was a minister in the government that paid that amount out of the taxes of the people of this country. That man was receiving $62,000 a year for doing nothing that was useful to the country or to the people. Those who came to me asking that we should get rid of Mr. Gaston were the officers of the railways themselves, not Sir Henry Thornton. The officers of the railways pointed out to me that Mr. Gaston was lording it over the rest of the men, without doing a cent's worth of work for his $62,000 a year. There were other men getting from $45,000 a year down; ninety-six of them were paid over $10,000 a year. Imagine that, Mr. Speaker; there were ninety-six employees of the Canadian National Railways receiving

over $10,000 annually when the Canadian Pacific had only fifty-three employees receiving more than that amount.

Then let me say a word with regard to specifications. My hon. friend put himself out to taunt me because at one time I spoke of red-blooded Canadianism. Well, Mr. Speaker, I do not think I need learn anything about Canadianism from the hon. gentleman, at any rate. Laying that aside for the moment, however, the hon. gentleman was a member of the government which permitted the late management of the Canadian National Railways to specify that forty per cent of all the material supplied for the Saskatoon hotel, the Halifax hotel, the Montreal terminals—that $50,000,000 extravagance which was absolutely unnecessary—should come from the United States. He was a member of the government which permitted the Canadian National Railways to spend $100,000 a year on club dues, which now have been cut to something between $5,000 and $10,000 a year. He was a member of the government which permitted the Canadian National Railways to spend $2,000,000 a year on entertainment account, which now has been cut to something like $400,000 a year or less. He was a member of the government which permitted the Canadian National Railways to switch accounts. They would pass millions of dollars for the construction of such useless appurtenances as the Saskatoon hotel, for example, or the Vancouver hotel; then, at the whim of some individual in the Canadian National, they would switch those amounts. They did that in 1930 to the extent of $8,000,000. He was a member of the government which permitted the Canadian National Railways not only to spend money in this country but to go down to Jamaica and start to build a hotel there, which was estimated to cost half a million dollars but which actually cost a million dollars. This hotel cost the people of Canada $270,000, and today it is nothing but a bone of contention between the people of Jamaica and the people of this country; it has been of absolutely no use to the Canadian National or to the people of this country, yet it cost us $270,000. My hon. friend was a member of the government which hired Sir Henry Thornton at a salary of $75,000 a year and legitimate expenses, which were estimated at about $25,000 annually. Yet he was a member of the government which permitted Sir Henry Thornton to draw $150,000 year after year, and at least $50,000 or $60,000 of that amount had no real basis. My hon. friend was a member of the government which permitted Sir Henry Thornton, in addition, to take over the house in which he was living, a house for which he paid $5,000 or $6,000 a year, but which, after it was taken over by the management of the railways, cost the Dominion of Canada $20,000 a year.

I have a whole list of items of extravagance here; I could go right on down the list. There is the radio, for example, which cost over $250,000 a year, but which was of no use to the Canadian National Railways. Yet my hon. friend says he was not acquainted with any reason why he should have interfered, or something to that effect.

Mr. EULER: I never said that.

Mr. MANION: My hon. friend says he knew of no unfair extravagance, or political interference. There should have been political interference, if there was not; there should have been some interference to get the Canadian National back to where it is now, under economical management, which is fair to the country and to the railway itself.

Mr. EULER: Is there any political interference now?

Mr. MANION: To the extent of keeping them on an economic and decent basis, yes; there is political interference to that extent, and God knows it was needed, when we came into power. All one has to do is look at the Duff report, extracts from which I have before me. Speaking of the Canadian National under the regime of my hon. friends the Duff report says:

> Running through its administrative practices, however, has been the red thread of extravagance.

I could go on and quote statement after statement of that kind from the Duff report, which was brought in by men who were fair judges, business men who had no axes to grind and no political favours to give, men who looked over the whole Canadian National system and gave a fair-minded report. They condemn most severely the attitude of the Canadian National, and without putting it into so many words, though in some places they get very close to it, they condemn my hon. friend and his government for permitting the Canadian National to carry on these wild extravagances to the extent I have indicated.

So far as Sir Henry Thornton is concerned, I merely wish to close on this note: I have never attacked Sir Henry Thornton personally; I have attacked the extravagances of the Canadian National Railways and I think rightly so, as any man in this house has a per-

fect right to attack such extravagances, feeling that he has a duty to perform towards this country. If I never perform another duty for Canada I think I have performed a good one in cleaning up the mess that my hon. friend and the government of which he was a member left so far as the Canadian National Railways were concerned, and with which I had to deal after they went out of power.

Some hon. MEMBERS: Question.

Mr. PETER McGIBBON (Muskoka-Ontario): Mr. Speaker, after serving seventeen years in this House of Commons I am not to be silenced by a demonstration of this kind. I think I may leave it to the judgment of the house whether I have spoken very often during this or any other session. I rise now not because the Minister of Railways (Mr. Manion) needs any defence, but to protest against the speech of the hon. member for North Waterloo (Mr. Euler).

As most hon. members know, a few years ago I had something to do with exposing the extravagances, and I believe I am discreet in my language when I say that I helped to expose the graft, which were found at that time in the Canadian National Railways. Ever since, in this house and on the public platforms, I have refrained from exposing the knowledge which came to me from investigations I was called upon to make during that time. I have been content—yes, I have been willing in the interests of this great nationally owned enterprise, to let bygones be bygones, and to devote all the talents and the ability I possess to the building up of the fortifications of public ownership behind this great enterprise. But when year after year I hear charges made that we are out to destroy the national railways, and when I heard the hon. member for North Waterloo speak to-night, as he has spoken in the country in weeks gone by, and when I noted the tone in which he spoke, I believed it my duty to rise and to protest. I want to tell him and to tell this House of Commons that if hon. members want me to expose what I know and that which up to the present I have not exposed, namely the graft that was carried on in the national railways, I am willing to take the people of this country into my confidence, and to tell them what I found out.

The hon. member who has just spoken was appointed, with myself, to go to Montreal and to investigate the railway accounts. Did he go? No, he refused to go. Every member on the Liberal side of the house refused to go. In fact, only one hon. member, namely the hon. member for Saskatoon (Mr. MacMillan), had the courage to go down there and to investigate the accounts of the national railways. I want to say here and now without fear of successful contradiction that what we found there was a disgrace to the executive of any great corporation. I have not said so before, but I am prepared to say so now either in this house or in the country.

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

Mr. McGIBBON: Yes.

Mr. JACOBS: Does not the hon. member think that as a member of parliament it was his duty to expose graft, no matter where he saw it?

Mr. McGIBBON: If it is my duty it is equally the duty of hon. members sitting opposite, but they failed to do it. You would not do it, not one of you.

Mr. JACOBS: They are not detectives.

Mr. McGIBBON: You might, then have given some assistance to those who were willing in the interests of the people of Canada to play the part of detectives.

I want to go back to the beginning of the national railways question. Where did it begin? I repudiate the suggestion that it was begun by the Conservative party. I say it began first when the bonds of the Canadian National Railways from Fort William to the east were guaranteed, and again at the beginning of the building of the Transcontinental railway from Winnipeg to Moncton. After those two things had been done by a Liberal government, the national railways became a question for the parliament of Canada, and for no other body. You cannot get away from it. I was a member of the house when, in 1919, the railways were taken over. What did we find? It is quite true that some of the railways threw up their hands and said, "We are through." But that did not relieve the parliament of Canada from its obligations. Read the railway history of that time and see what you find. The parliament of Canada at that time had obligations amounting to $331,000,000 to which they had put their name and which they would have to pay. In addition to that the provinces had guaranteed $96,000,000 worth of bonds. In addition to that we had another $400,000,000 invested in railways like the Intercolonial. In other words, something over $800,000,000 which Canada then had at stake would have been lost if we had let the railways go into bankruptcy. It is all very

well after the fact to say, "You should have done so and so," but at that time the Dominion of Canada and the provinces would have lost practically $800,000,000, had we done so.

What happened? We took over the railways. What did they cost the people of Canada? They cost about another $800,000,000, and in that we had the whole Transcontinental system, we had the terminals, we had the gathering lines and everything that is essential to a railway system. When we went out of power what happened? What happened between the day we went out of power in 1921 and when we came back in 1930? Read the Duff report, and you will find that during that period $922,000,000 of debt was placed upon the railways, through the instrumentality of the King government; $922,000,000 more was added to the debt. That is the condition with which this government was faced when it came into office. You want to know why? Well, just look at some of the railways which were taken over. Take, for example, the Gaspe railway. I am told that the year before last it cost a million dollars to take the snow off that line. What about the Quebec, Montreal and Southern railway? Read the reports prevalent about that deal, where the vendors sold for $6,000,000, and only $5,000,000 reached the owners. Read those reports. Then, read the reports of the extravagances exposed in the committee which sat in this building; read about the deals in New York, the offices in that city and, as the minister suggested, the extravagant salaries. Consider the commissions on everything bought for the national railways, and the extravagance in connection with the building of branch lines. Compare the expenditures on the Canadian National Railways with those of the Canadian Pacific Railway, and you will understand how through extravagance the cost mounted up year by year. Consider the hotel competition, and the fact that the hotel in Saskatoon cost $16,000 per room. Is it any wonder it has never been opened? I placed on the committee records an agreement drawn by the late Doctor Reid, then Minister of Railways, indicating that the government of the day was exempt from all obligations in connection with the building of a hotel at Vancouver. At one time there were obligations, but through negotiations he exempted the government of the day from those obligations. Yet the building of the hotel was proceeded with, and the railways, through the government of the day, authorized a building costing $11,000,000. Is it any wonder that the national railways got into the mess in which we found them when we took office?

I want to tell the hon. member for North Waterloo that the government of which he was a member has damned public ownership through the instrumentality of the national railways for all time to come in the Dominion of Canada. I say without fear of successful contradiction that the national railways cannot be made to pay, and when I say that I am wiping off the $1,300,000,000 of Canadian government obligations. I take into consideration only the $1,253,000,000 of bonds that were put out to the public and on which we have to pay something like $58,000,000 of interest a year. In my opinion the day will never come when the national railways can break even and pay their debt to the public. It cannot be done, and I would ask the Prime Minister (Mr. Bennett), I would ask parliament and the people of Canada this question: Is it not time that we faced this situation as we ought to face it, as a business proposition? If we cannot do anything better let us say to the people of Canada that in our judgment these two railways should be united. I said that a year ago on the floor of this house, and I was glad to read in the press only the other day that Mr. E. W. Beatty recently made practically the same speech to his directors that I made a year ago on the floor of this house. If we can save $75,000,000 a year, as the president of the Canadian Pacific Railway says we can, as the hon. member for North Waterloo says we can, and as the late president of the Canadian National Railways said we could, why not do it? Why continue to ask the people to put their hands in their pockets year after year to raise fifty or sixty or seventy million dollars, —for what purpose? To finish paying for the national railways? No. The people do not own the national railways, and it is only a fallacy to think they do.

I remember the hon. member for East Algoma (Mr. Nicholson) asking the late Sir Henry Thornton what value he would put on the national railways as a going concern, and he replied about sixty thousand dollars per mile. If you figure that out it means just the amount of money that we owe the public. That is all they are worth, and all we are doing is holding the bag. Are we going to continue to ask the people of this country to put their hands in their pockets year after year and pull out fifty or sixty million dollars? And remember, that does not take into

account any depreciation; it allows nothing for improvements, extensions or betterments.

As I have said before, if we are going on with these roads as they are to-day, they will cost this country $75,000,000 a year for many years to come, and what do we get in return? Surely with the competition there is to-day from buses; with the competition which is in sight from the air, and with the control which the board of railway commissioners exercises, this country is sufficiently protected against a railway monopoly. Surely we do not have to spend sixty or seventy million dollars a year simply to protect this country against a railway monopoly. I say without fear of contradiction that taxation will have to be lifted from the back of the individual and from the back of business before this country can regain that degree of prosperity which we are all hoping for.

Mr. EULER: May I ask my hon. friend a question?

Mr. McGIBBON: If you do not make it too hard.

Mr. EULER: My hon. friend is suggesting amalgamation, as I have done before. Would he have amalgamation under private or public ownership?

Mr. McGIBBON: I am glad my hon. friend has asked that question. I was going to say that the Prime Minister should let the people decide that question by referendum. Let them say whether they want these roads run under public or private ownership. I have no hesitation in saying that I would choose private ownership, but the people have such a huge investment in these roads that they have a right to be consulted. I would say to the Prime Minister: Work out a scheme of amalgamation. I mean more in the line of what I suggested a year ago, namely, that the government retain ownership of its own lines and the Canadian Pacific Railway retain ownership of its lines, but put them under joint operation and let the people decide whether they be under public ownership or private ownership. But for goodness' sake let us relieve the people of the heavy financial responsibility they are carrying to-day and which they must continue to carry unless something is done.

I was dreadfully disappointed when I read the other day Mr. Beatty's statement that only one million dollars' worth of savings had been effected through cooperation in one year, and presumably the greatest savings have already taken place. Now when we are faced with a deficit of $65,000,000 or $70,000,000 a year on account of the national railways I ask this parliament what right have we to inflict that taxation on the people when there is a remedy for the situation? I ask the Prime Minister and I ask this house to submit this question to the people of Canada in an unbiased way with the idea of consummating amalgamation of these two roads so far as operation is concerned, and let the people say whether they want it done under public ownership or private ownership.

The house divided on the amendment (Mr. Irvine) which was negatived on the following division:

YEAS

Messrs:

Coote	MacInnis
Garland (Bow River)	Macphail, Miss
Heaps	Mitchell
Irvine	Neill
Kennedy (Peace River)	Speakman
Lucas	Spencer
Luchkovich	Woodsworth—14.

NAYS

Messrs:

Anderson (Toronto-High Park)	Duguay
Anderson (Halton)	Dumaine
Arsenault	Dupuis
Arthurs	Duranleau
Baker	Edwards
Barber	Elliott
Baribeau	Embury
Barrette	Ernst
Beaubien	Factor
Beaubier	Fafard
Belec	Fiset, Sir Eugène
Bell (Hamilton West)	Fortin
Bell (St. John-Albert)	Fournier
Bennett	Fraser (Cariboo)
Bertrand	Garland (Carleton)
Beynon	Geary
Blair	Girouard
Bothwell	Gobeil
Boucher	Gordon
Bourgeois	Goulet
Bowen	Guthrie
Bowman	Hackett
Brasset	Hall
Brown	Hanson (Skeena)
Burns	Harris
Bury	Hay
Butcher	Howard
Cahan	Hurtubise
Carmichael	Ilsley
Chaplin	Jacobs
Charters	Jean
Chevrier	Johnstone
Cotnam	Kennedy (Winnipeg South Centre)
Cowan (Long Lake)	King, Mackenzie
Davies	Lapointe
Denis	Larue
Deslauriers	Loucks
Desrochers	Macdonald (Kings)
Dickie	Macdougall
Donnelly	MacLaren
Dubois	MacMillan (Mackenzie)
Duff	MacNicol

McDade	St-Père
McGibbon	Sanderson
McGillis	Sauvé
McGregor	Séguin
McIntosh	Senn
McKenzie (Assiniboia)	Shaver
McLure	Simpson
McPhee	(Simcoe North)
Maloney	Smith
Manion	(Victoria-Carleton)
Matthews	Smith (Cumberland)
Mercier (Laurier-Outremont)	Smoke
Mercier (St. Henri)	Spotton
Moore (Chateauguay-Huntingdon)	Sproule
Morand	Stanley
Motherwell	Stewart (Leeds)
Munn	Stewart (Lethbridge)
Myers	Stinson
Parent	Stirling
Peck	Stitt (Nelson)
Perley (Qu'Appelle)	Stitt (Selkirk)
Perras	Sullivan
Pickel	Sutherland
Plunkett	Swanston
Porteous	Taylor
Pouliot	Thauvette
Power	Thompson
Price	(Simcoe East)
Quinn	Thompson (Lanark)
Rennie	Totzke
Rhéaume	Tummon
Rinfret	Turnbull
Roberge	Weese
Robinson	Weir (Melfort)
Rogers	Weir (Macdonald)
Ross	White (London)
Ryerson	White (Mount Royal)
	Willis
	Young—157.

PAIRS

(The list of pairs is furnished by the chief whips.)

Mr. MULLINS: I was paired with the hon. member for St. Boniface (Mr. Howden). Had I voted, I would have voted against the amendment.

Mr. GOLDING: I was paired with the hon. member for North Perth (Mr. Wright). Had I voted, I would have voted against the amendment.

Hon. J. C. ELLIOTT (West Middlesex): Mr. Speaker, I should like to make a few remarks before the main motion is put, I think we have witnessed something which is typically characteristic of the previous and the present governments. I refer to the sane, logical and reasonable remarks of the hon. member for North Waterloo (Mr. Euler) as compared with the utterly partisan, bombastic and venomous remarks of the Minister of Railways and Canals (Mr. Manion). The minister referred to the extravagance of the previous government, but I do not think there was ever anything so extravagant in connection with any government in this country as the remarks he made. It is not my intention to occupy the time of the house at any length as we are all hoping to get to a vote on the main question, but in view of the fact that the amendment moved by the hon. member for Shelburne-Yarmouth (Mr. Ralston) has been ruled out of order, I desire to move an amendment which I submit expresses in a very few words the views which have been expressed wherever an opportunity of expression has been afforded in recent months in any riding in this country. I submit that this amendment represents the general feeling of the people of Canada at the present time. I beg leave to move, seconded by the hon. member for Gloucester (Mr. Veniot):

That all the words after "that" to the end of the question be omitted and the following be added instead thereof:

In the opinion of this house the present administration no longer enjoys the confidence of the country.

Hon. HUGH GUTHRIE (Minister of Justice): Mr. Speaker, my understanding of the rules of this house is that only one amendment and one subamendment can be moved to the main motion that Mr. Speaker do now leave the chair. During the present debate an amendment was moved and declared out of order. Subsequently a subamendment was moved and also declared out of order. Another amendment was moved and has been voted upon but no subamendment was moved. I submit that under rule 49 no further amendment is permissible. If it were otherwise we might be met with amendment after amendment as votes are taken, and Your Honour would never be permitted to leave the chair. There are other reasons why this amendment is out of order, but at the moment this is my principal reason for objecting.

Mr. SPEAKER: Standing order 49 reads:

Only one amendment and one subamendment may be made to a motion for Mr. Speaker to leave the chair for the house to go into committee of supply or ways and means.

That would seem to prevent the present amendment being in order, and I rule it to be out of order.

Main motion (Mr. Rhodes) agreed to on division and the house went into committee of ways and means, Mr. Sullivan in the chair.

WAYS AND MEANS

INCOME WAR TAX ACT AMENDMENT

Resolved, that it is expedient to amend the Income War Tax Act and to provide:

1. That income shall include rents, royalties, reservations and other like considerations which fluctuate according to the production from or the use of the property leased or sold.

Mr. BENNETT: This is to provide for cases in which royalties are paid and have sometimes escaped taxation. This removes any possible doubt with respect to that and provides that royalties that may be payable to individuals under subleases of properties, oil and others, on which royalties have been paid, shall be taxable as income. This is sufficient for to-night. I will move that the committee rise and report progress, passing that one resolution.

Mr. MACKENZIE KING: The resolution has eight parts.

Mr. BENNETT: That is right; this is the first clause. I move that the committee rise and report progress and ask leave to sit again.

Progress reported.

FOREIGN INSURANCE COMPANIES

Right Hon. R. B. BENNETT (Prime Minister): If the house would give consent I would move the second reading of Bill No. 50 and Bill No. 72 in order that they might be printed and circulated for the information of the house. Bill No. 50 has been passed by the Senate. It is an act to amend the Foreign Insurance Companies Act of 1932. It is a technical statute, and any explanation I might give would be wholly ineffectual unless the bill were before hon. members. I suggest that it would serve every useful purpose if I now moved that the bill be read a second time in order that it be printed.

Mr. MACKENZIE KING: Is it intended to discuss the bill in committee of the whole house?

Mr. BENNETT: Yes. In view of the discussion that had taken place in the Senate I thought that this house was more or less familiar with what had transpired and that it would serve the purpose if the bill were considered in committee of the whole house.

Mr. WOODSWORTH: Are we agreeing to the principle of the bill before we know what is involved?

Mr. BENNETT: We are dealing with foreign insurance companies. The method is somewhat technical. It arises out of legislation that has been passed on previous occasions, and it is well known that great conflict of opinion has taken place as to the legislative jurisdiction of the provincial legislatures on the one hand and the parliament of Canada on the other. Certain decisions have been arrived at in the privy council since 1916 to date, and it is believed that this legislation will clarify to some extent the difficulties that have been experienced. I can say frankly that there is no great national principle at stake; rather is it an effort to pass legislation which beyond question will be within our legislative competence and to deal with the matters in the manner in which we believe they should be dealt with. It is complementary to a bill that follows on the order paper. There seems to be no doubt as to our right to deal with foreign companies, and the manner in which we deal with them will be prescribed in the act. Our right to deal with our own companies is conceded.

Mr. MACKENZIE (Vancouver): Does this bill refer to foreign insurance companies or to British and Canadian insurance companies?

Mr. BENNETT: The point as to our jurisdiction to deal with foreign companies is not seriously questioned; it is only the method by which that jurisdiction is to be asserted.

Mr. WOODSWORTH: Does this refer to companies asking for special privileges?

Mr. BENNETT: That comes in one of the statutes, the second bill dealing with Lloyds.

Mr. EULER: That is not the one which the Prime Minister is discussing now?

Mr. BENNETT: No; that is Bill No. 72.

Mr. COOTE: Is it necessary to have the second reading of the bill before it can be printed?

Mr. BENNETT: The bill has been printed and is ready for circulation, but it is not in the hands of hon. members until after the second reading has been given. That is why I suggest that it be given the second reading, so that members will be in a position to study the bill. It might be that after the house had considered the matter they might think it desirable that the bill should go to one of the committees of the house, but I do not think that will be necessary.

Mr. RALSTON: If the house gives second reading, I am sure the Prime Minister will agree that it is on the understanding that we may discuss in committee everything which we might discuss on the second reading.

Mr. BENNETT: I judged that that was what the right hon. the leader of the opposition intended by his question; I construed it

as such. If the house gives the second reading, I do not propose that it should limit its right to discuss every feature of the bill, even though that might involve some question of principle.

Mr. SPEAKER: Mr. Bennett, for the Minister of Finance (Mr. Rhodes), moves that Bill No. 50, entitled an act to amend the Foreign Insurance Companies Act, 1932, be now read the second time.

Mr. LAPOINTE: What is the advantage in that? My right hon. friend says that it is for the purpose of having the bill circulated. Surely the bill may be circulated before the second reading. Bills are always printed and distributed before the second reading. Why the change in this instance?

Mr. BENNETT: The former Minister of Justice (Mr. Lapointe) is entirely correct. The bill has to be printed in English and French before it is given the second reading. I should have said, more properly, that the official presentation of the bill for the consideration of members arises by reason of its being given second reading, and the house is then in a position either to discuss the details of the bill in committee of the whole house or to send the bill to another committee. I intended to move the bill one step forward to-night. Perhaps the language I used with respect to the necessity of its being printed was too wide.

Mr. WOODSWORTH: I fail utterly to comprehend why this bill should be given special treatment, different from that accorded other bills. Apparently it is not because it should be printed, because there is nothing to prevent its being printed and circulated before the second reading, and we have not been given any details with regard to the principle underlying it. I do not like advancing the bill at this time, making in this way an exception of it.

Mr. BENNETT: The rules of the house do provide that on the second reading of a bill it is not proper to deal with the several sections. This bill is one which amends the existing sections of a statute, and the extent of the amendments is indicated in the bill. The reason it has to be printed in English and French before it is read the second time, as the hon. gentleman has said, is that members may at least see it. The principle of the bill is merely to amend and make more perfect existing legislation which was passed at a previous session and with respect only—so far as this bill is concerned—to foreign insurance companies, with respect to which the legislative jurisdiction of this parliament is unquestioned. If this were a new measure and I were asked to unfold to the chamber the principles involved in it, I would do so, but where it involves merely amendments, according to the rules it is not sound parliamentary practice to take the bill section by section and indicate at this time what is involved. If I say that the principle of the bill is to make more perfect the administration of this statute I have said all that is involved with respect to it, as any one can see by taking a casual look at it.

Mr. POULIOT: I submit that all this discussion has been completely out of order, because, sir, you were reading the motion for the second reading of the bill, and I understand that on the second reading a member can speak only once. The Prime Minister spoke several times, and other members also. I submit, sir, that this discussion is irrelevant and out of order.

Now, speaking on the second reading I have just one word to say. Lloyds will be very much surprised when they see this legislation and learn for the first time after centuries that they are called an insurance company. For the benefit of the government may I tell them that if they will glance at the Encyclopaedia Britannica in the library they will see that Lloyds is not an insurance company; it is just a club.

Mr. GUTHRIE: Will the hon. member permit me? He is confounding this bill with the one which immediately follows it. This bill deals only with foreign insurance companies. The next bill deals with British and Canadian companies.

Mr. POULIOT: I thank the minister for his explanation. I am glad to hear that this bill does not refer to Lloyds as an insurance company; and what the Minister of Justice has just said confirms what I said before.

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

On section 1.

Mr. BENNETT: It will be observed that the only change is that in the original preamble the words were "soliciting and securing." It is proposed to change it to "are soliciting applications for and issuing," so as to conform to the facts, namely that they are soliciting applications for and issuing life insurance policies. That is the only change in that section.

Section agreed to.

On section 2.

Mr. BENNETT: This is changing one word only, as to the extent of the insurance at risk, it having been stated as "three and a quarter billions of dollars" when the other statute was passed, and now being "four and a quarter billions" or thereabouts.

Section agreed to.

Progress reported.

On motion of Mr. Bennett the house adjourned at 10.50 p.m.

Wednesday, May 16, 1934

The house met at three o'clock.

REPORTS OF COMMITTEES

Third report of the special committee on the Civil Service.—Mr. Lawson.

First report of the select standing committee on railways, canals and telegraph lines.—Mr. Harris.

ROYAL ASSENT

Mr. SPEAKER: I have the honour to transmit to the house the following message from the deputy assistant secretary of the Governor General:

Ottawa, May 16, 1934.

Sir,—I have the honour to inform you that the right hon. Sir Lyman P. Duff, chief justice of Canada, acting as deputy of His Excellency the Governor General, will proceed to the Senate chamber to-day at 5 p.m. for the purpose of giving the royal assent to certain bills.

I have the honour to be, sir,

Your obedient servant,

F. L. C. Pereira,

Deputy Assistant Secretary to the Governor General.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

WINDSOR, ONT.—RADIO STATION

Mr. EULER:

1. Has the radio commission leased station CKLW at Windsor, Ontario?
2. If so, what are the terms of the lease as to time and rental payable?
3. How much time daily will be allotted to the radio commission on this station?
4. Has the radio commission issued, or does it intend to issue, an additional licence in the border cities to the owners of CKLW?
5. If so, why is such additional licence issued?
6. Will Columbia chain programs be broadcast over this new station, and does the commission receive any fee for the privilege, and for what amount?
7. Who are the owners of CKLW, and of the new station which is to be established, and what is the proportion of stock owned by each, including the Columbia broadcasting chain's share, if any?

[Mr. Bennett.]

Mr. DURANLEAU:

The following information has been furnished by the Canadian radio broadcasting commission:

1. No arrangements have been made between the Canadian radio broadcasting commission and station CKLW.
2. Answered by No. 1.
3. Answered by No. 1.
4. No additional licence in the border cities, to the owners of CKLW, has been recommended by the commission.
5. Answered by No. 4.
6. Verbal answer already given.
7. No information.

*LAUZON SHIPYARDS—TANKER

Mr. CASGRAIN:

1. Did the government have a tanker constructed at the Lauzon shipyards?
2. If so, what was the cost of such tanker?
3. When was such tanker christened?
4. By whom?
5. What name was given to such tanker?

Mr. CAHAN: I have inquired of each and every department of the government that might have knowledge sufficient to answer this question, and I am informed that no department has any knowledge of the construction of a tanker at the Lauzon shipyards.

DUNDURN, SASK., RELIEF CAMP SUPPLIES

Mr. TOTZKE:

1. In the calling of tenders for supplies for the unemployment relief camp at Dundurn, Saskatchewan, is it the practice to advertise publicly for tenders or are there lists of firms or individuals who are invited to tender?
2. If there are lists of firms or individuals who are asked to tender, who recommends the names of those who appear on the list, or how is the list compiled?
3. Is the submission of tenders confined to those whose names appear on the list?

Mr. SUTHERLAND:

1. Firms and individuals are invited to tender.
2. No recommendations from particular individuals are required. Any responsible individual or firm may be asked to tender.
3. No.

TARIFF ON DENTAL SUPPLIES

Mr. CASGRAIN:

1. Has the government received any request from the Canadian Dental Association or any other dental association in Canada in order to change certain items of the tariff affecting them since the Empire agreements came into force?
2. If so, what is the nature of the said requests?
3. When and by whom were they made?
4. Has the government considered same?

Sir GEORGE PERLEY:

1. No.
2, 3 and 4. Answered by No. 1.

LES EBOULEMENTS, QUE., DISMISSAL OF LIGHTHOUSE KEEPER

Mr. CASGRAIN:

1. Is the Department of Marine aware that Mr. Charles Tremblay (Georges), lighthouse keeper at the wharf of Les Eboulements, in the county of Charlevoix, has been dismissed by telegram?
2. Were any complaints lodged against Mr. Charles Tremblay (Georges)?
3. If so, what was the nature of such complaints?
4. Who lodged such complaints?
5. Who recommended Mr. Hector Tremblay to replace Mr. Charles Tremblay (Georges)?

Mr. DURANLEAU:

1. The agent of the Department of Marine at Quebec was instructed by letter 12th April, 1934, to notify Mr. Charles Tremblay that his services as lightkeeper would not be required this year.
2. Yes.
3. Partisan discussion of politics.
4. Mr. C. N. Dorion, M.P.
5. Mr. C. N. Dorion, M.P.

QUESTION PASSED AS ORDER FOR RETURN

VANCOUVER ELEVATOR—GRAIN SHIPMENTS

Mr. GARLAND (Bow River):

1. What was the amount of grain by variety and grade received into No. 2 elevator at Vancouver for the period, September 30, 1933, to February 15, 1934?
2. What was the amount of grain by variety and grade shipped out of No. 2 elevator at Vancouver during the same period?
3. What was the total quantity of screenings taken from the said grain during the same period: (a) regular screenings; (b) recleaned screenings; (c) refuse screenings?
4. To whom and at what price were these screenings sold?
5. What is the quantity of grain by variety and grade at present in No. 2 elevator?

FARM INDEBTEDNESS

MEASURE TO FACILITATE COMPROMISES BETWEEN FARMERS AND CREDITORS—OFFICIAL RECEIVERS—BOARDS OF REVIEW

Right Hon. R. B. BENNETT (Prime Minister) moved that the house go into committee at the next sitting to consider the following proposed resolution:

That it is expedient to bring in a measure to facilitate compromises and arrangements between farmers and their creditors, to provide for the appointment of official receivers, and for the establishment of provincial boards of review and their remuneration.

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

Motion agreed to.

CANADIAN FARM LOAN ACT

PROVISION TO FACILITATE AND INCREASE EXTENSION OF CREDIT TO FARMERS

Right Hon. R. B. BENNETT (Prime Minister) moved that the house go into committee at the next sitting to consider the following proposed resolution:

That it is expedient to amend the Canadian Farm Loan Act (R.S.C., c. 66) to facilitate and increase the extension of credit to farmers, to authorize the Minister of Finance to purchase additional bonds issued by the board, and guaranteed by the government, and to provide for supplementary advances by the board.

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

Motion agreed to.

DOMINION ELECTIONS ACT

ELECTORAL FRANCHISE—APPOINTMENT OF DOMINION FRANCHISE COMMISSIONER—PRINTING OF VOTERS LISTS

Hon. HUGH GUTHRIE (Minister of Justice) moved that the house go into committee at the next sitting to consider the following proposed resolution:

That it is expedient to introduce a measure respecting the franchise of electors at elections of members of the House of Commons, and to provide for the appointment, salaries, fees and expenses of a dominion franchise commissioner, secretary, registrars, enumerators, and other employees, and to make provision for the printing of voters lists and other documents.

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

Motion agreed to.

PUBLIC WORKS PROGRAM

Hon. H. A. STEWART (Minister of Public Works) moved that the house go into committee at the next sitting to consider the following proposed resolution:

That it is expedient to bring in a measure to authorize the expenditure of certain sums of money for the construction of and repairs to public works and for dredging and improving harbours and rivers throughout Canada.

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

Mr. POULIOT: On this motion—

Mr. SPEAKER: The motion is not debatable.

Motion agreed to.

NICKEL EXPORTS

On the orders of the day:

Mr. E. J. YOUNG (Weyburn): Before the orders of the day are called I should like to direct two questions to the Minister of Trade and Commerce (Mr. Stevens). Reports of the bureau of statistics for January and February, 1934, show that Canada is exporting fine nickel to the United Kingdom, France, Germany, Japan and the Netherlands at prices approximating fifty cents per pound. The same reports indicate that during the same period Canada was exporting fine nickel to the United States at approximately twenty-five cents per pound. My questions are these: First, why is fine nickel being exported to the United States at approximately half the price at which it is being sold to other countries? Second, how does the wholesale price of nickel in the United States compare with the wholesale price in Great Britain.

Hon. H. H. STEVENS (Minister of Trade and Commerce): I would ask the hon. member to let this stand as notice of the question.

MARKETING ACT

ORGANIZATION TO IMPROVE METHODS AND PRACTICES IN MARKETING NATURAL PRODUCTS

The house resumed from Wednesday, May 9, consideration in committee of Bill No. 51, to improve the methods and practices of marketing of natural products in Canada and in export trade, and to make further provisions in connection therewith—Mr. Weir (Melfort)—Mr. Sullivan in the chair.

On section 1—short title.

Mr. POULIOT: I should like to ask the minister if he can give me some explanation with regard to the decrease in the consumption of apples, honey, eggs, fresh beef, concentrated milk, cheese, potatoes, wheat, oats, barley and wheat flour, as compared with the previous year. I take the liberty of asking this question because on May 8 the minister said that an answer would be given me in this connection.

Mr. WEIR (Melfort): The officials of the department have been working since May 8 to gather the information requested by the hon. member for Témiscouata. I have inquired as to the matter on a number of occasions, the last time this morning, but the work is not yet completed. We hope to have the information in the very near future. There has been a very great deal of work in this connection.

Mr. POULIOT: Would the minister be kind enough to tell me if it will be completed before the bill is reported by the committee?

Mr. WEIR (Melfort): I believe it will be completed this week.

Mr. MACKENZIE (Vancouver): With regard to the various provincial enactments that were filed by the minister last Friday, I think, I should like to ask whether the Department of Justice has examined these enactments from the point of view of their being sufficient to implement, so far as the purposes of the government are concerned, the specific terms of the legislation we are now considering.

Mr. GUTHRIE: Speaking generally we have gone over them, but they are provincial enactments. We did not draw them, but we consider that they are fairly adequate for the purpose.

Mr. MACKENZIE (Vancouver): From a cursory examination of the enactments it strikes me that there is a tremendous disparity between the different measures. The bill passed in New Brunswick, for example, is very different from that passed in British Columbia. I am wondering if the Department of Justice has satisfied itself as to the

sufficiency of these various enactments with regard to their conferring ancillary power under this legislation.

Mr. GUTHRIE: No doubt there is a great deal of discrepancy between the various provincial bills, but we have no right whatever to interfere. Believing that these measures express the views of the various provinces as to the nature of the cooperation they desire, we think the schemes under them in connection with the dominion bill now before us will be workable.

Mr. MACKENZIE (Vancouver): In all cases?

Mr. GUTHRIE: In all cases that we have seen as yet.

Mr. SANDERSON: I should like to ask one or two questions at this point. Last Friday, referring to the milling industry, the minister told the committee that if sixty per cent of that industry in the province of Ontario desired to come under this proposed legislation the remaining forty per cent could be compelled to come under it as well. I should like to ask the minister as to the basis upon which the percentage will be decided. I assume the capacity of the mills will have to be considered. Some flour mills have a capacity of three hundred barrels a day, and that runs up to five hundred and one thousand in other mills. Then when you take the big milling companies such as the Lake of the Woods, the Ogilvie company and others, they have a still larger capacity. On what basis will that percentage be decided? Will it be on the basis of capacity?

While I am on my feet I should like to ask another question, this time in regard to the produce sold on the markets of the larger towns and cities in the province of Ontario. Will the local board have the right to say whether the farmers can bring to the markets certain products such as chickens, eggs, butter and so on, and will the board have power to say that a farmer may come in to-day but that he may not come in next week, just because they say he cannot? I should like some information from the minister in that regard.

Mr. WEIR (Melfort): My hon. friend's questions are alike in this respect, that each matter will have to be dealt with on its own merits on the basis of the scheme submitted by the producers themselves. If they submit a certain scheme which is approved by the provincial government then it will be a matter for the jurisdiction of that government.

Mr. SANDERSON: I should like to ask the minister if the local board will have full jurisdiction in regard to the marketing of produce on the local markets. Will the local board have the right to say whether certain products should be marketed on a certain day?

Mr. WEIR (Melfort): That depends entirely on the scheme put forward by the producers and the powers conferred on the local board by the province.

Mr. SANDERSON: Then going back to the milling industry, from the answers given by the minister on Friday last I take it that the milling industry would be under the jurisdiction of three boards, the dominion board, the provincial board and the local board.

Mr. WEIR (Melfort): I did not intend to leave the impression that such an industry would be under three boards. It depends entirely on the plan or policy they suggest. It might be provincial or interprovincial, or it might deal only with exports.

Mr. SANDERSON: That answer is all right as far as it goes, but it is still vague to me. I should like to know how these boards are to be appointed. Coming first to the local board, who appoints that board?

Mr. WEIR (Melfort): That is provided for in one of the clauses of the act. It depends upon the way in which the scheme is submitted. The business of the appointment of the board is so closely related to the scheme submitted by the producers that one could not state definitely in each case how a board would be appointed. In a general way I would say the answer would be this, that when the producers submit their scheme they have to state in that scheme how they wish the board to be appointed. It might be an election by the producers themselves. It might be that the board they would like to have set up would consist of a majority of producers, but also a certain number of people in the trade and, in connection with apples, shippers. Also they may ask for representation from a consumer body, or by one member of the government. But it depends entirely upon the plan they have evolved and wish to put into effect.

Mr. SANDERSON: I am not very much enlightened. Perhaps I did not put my

question in a way capable of being understood by the minister. In order to make myself as clear as possible may I ask this question: Will the dominion board have control over the provincial board and the local board, or will the dominion board have control of the provincial board and the provincial board have control of the local board?

Mr. WEIR (Melfort): It depends entirely on what scheme is suggested. A local board may be set up to deal purely with the matter of marketing, or the regulation of marketing within the province. That might be under the provincial government. The dominion board may, under certain conditions, use and name a provincial board to carry out the plan submitted for interprovincial and export trade, while for trade within the province the regulation might be under the jurisdiction of the province. My answer may not be as definite as the hon. member would wish—

Mr. SANDERSON: I am sorry to say it is not very definite.

Mr. WEIR (Melfort): What I am trying to explain to the hon. member is that no person can decide until the case is placed before him. Each case will have to be decided on its own merits.

Mr. SANDERSON: I am sorry to say the minister's explanation is not very clear to me, although it may be clear to some other hon. members in the committee. Let me take the milling industry as an example. In connection with that industry there are three classes of customers, if I may so describe them. The industry has its local trade dealing in flour, it has customers in other provinces and it has a large export trade. Will the milling industry be under the control of three boards, namely, the local board, the provincial board and the dominion board? May I point out that in the flour industry orders are usually received by cable. The dealers cable price quotations, acceptances or non-acceptances. In the event of an acceptance of a shipment of flour to be sent to Great Britain, or to any other point outside of Canada, will the millers first have to consult the local board, the provincial board or the dominion board before they may close the order?

Mr. CANTLEY: Or the celestial board?

Mr. WEIR (Melfort): It depends on what plan they submit. They may submit a plan to regulate milling in connection with export trade, only. That would be under a local board, set up with the approval of the dominion board by the milling industry itself. If the proposition were one affecting only marketing within the province it could be under provincial jurisdiction.

Mr. SANDERSON: Well then, will the provincial governments appoint the local boards?

Mr. WEIR (Melfort): It depends on the scheme submitted. In submitting the scheme they have to state how they wish the board selected, whether by election from their own people, the people submitting the proposition, or anly partially from those people to act along with other representatives to be selected by the province—if it is purely a provincial matter—or by the dominion if it is a matter of export.

Mr. SANDERSON: I shall put another question to the minister concerning the jurisdiction of local boards. Let us consider the local butchers who buy their supply from nearby farmers. Will they have to obtain permission from a local board before they may buy beef on the hoof for killing purposes, and to offer for sale in a local butcher shop?

Mr. WEIR (Melfort): That depends entirely under what scheme they may be working, and the scheme submitted.

Mr. SANDERSON: Well then, would the minister go just a little farther. Surely he can tell the committee a little more about the scheme, and the whole process. So far as I am concerned—and it may be my own fault—for the life of me I cannot obtain enlightenment in this matter.

Mr. WEIR (Melfort): I am afraid the hon. member has not yet grasped what the bill in this particular, means.

Mr. CASGRAIN: Nobody else has.

Mr. WEIR (Melfort): The bill sets out that the producers or the people interested in the formation of a local board to regulate the marketing of their products will submit a scheme which they think will work out in their own best interests, and towards the better regulation of that product. They submit a scheme, but no person now knows what the scheme may be.

Mr. SANDERSON: Not even the minister.

Mr. WEIR (Melfort): No, not even the minister.

Mr. CASGRAIN: So we are voting on something we do not know anything about.

Mr. WEIR (Melfort): No, we are not voting on something we do not know about. We are voting on something that I have endeavoured to make clear over and over again, namely that the producers themselves, by organization in so far as they may indicate should be given authority over the control and regulation of their own products. Under different circumstances different producers will submit different schemes. Those schemes will be laid before the dominion board, investigated and then laid before the governor in council or the lieutenant governor in council. But such scheme can operate only in so far as authority is given by this legislation.

Mr. SANDERSON: From the last answer the minister has given I take it that the dominion board will have jurisdiction and control over the provincial and local boards.

Mr. WEIR (Melfort): No, not necessarily. For instance, the Fraser river valley milk producers may want to submit a scheme for the marketing of their products within the province of British Columbia. That need not necessarily be referred to the dominion board or the dominion government.

Mr. SANDERSON: One more question in regard to local creameries. Before a local creamery may make a sale of butter or cheese will it have to obtain the consent of the local and provincial boards?

Mr. WEIR (Melfort): It depends entirely on what system they may want to follow.

Mr. SANDERSON: How many systems will there be?

Mr. WEIR (Melfort): It depends on the producers themselves. The producers in each locality, each province or, as in the case of live stock, in the dominion, would submit what they think would be the best way to regulate the marketing of their own products.

Mr. SANDERSON: Well then someone has to work out those schemes.

Mr. WEIR (Melfort): Yes, certainly; the producers submit their own schemes.

Mr. SANDERSON: And obtain the consent of the provincial and dominion boards.

Mr. WEIR (Melfort): If they wish to operate only under provincial jurisdiction, yes.

Mr. VALLANCE: I should like to ask a question pertaining to the appointments of these boards. Must the boards, either local or provincial, appointed to any scheme meet the point of view of the minister? I know the dominion board would.

Mr. WEIR (Melfort): Not necessarily, so far as personnel is concerned. For instance, a body of producers would ask that a local board be elected to consist entirely of the producers, themselves. They elect their own board, and are responsible for the personnel of it. But the scheme must be approved by the minister, either provincial or federal, before the local board can be appointed and the scheme go into effect.

Mr. VALLANCE: Suppose the producers submitting a scheme decide that they are going to have only producers on the board and that the minister disagrees. Has he the right to set aside such a decision and say that so far as the marketing of grain, for instance, is concerned, the trade must be represented? Suppose the producers do not want the trade represented on the board; has the minister then power to say to the producers that that is not right or fair, or to give them some reason why some other representative should sit on the board?

Mr. WEIR (Melfort): That is all part of the scheme which has to be approved by the minister, but the hon. member I think will agree that if a body sufficiently representative of the producers and sufficiently representative also of the production submit a scheme that is approved, the personnel of the board would not be a major point of issue.

Mr. WOODSWORTH: Is there any safeguard there for the consumers?

Mr. WEIR (Melfort): I would say that there are three safeguards: first, that the scheme has to be approved by the minister and by the governor in council; second, that there is no price fixing but a regulating of the rate at which the stuff goes on to the market; third, there is part II of the act which gives power to control undue charges.

Mr. WOODSWORTH: The consumer would not be represented on any of the boards contemplated?

Mr. WEIR (Melfort): That depends entirely on the scheme submitted by the producers. In the first draft of the bill we had a provision for representation of producers, the trade, and consumers on the local board. It is a matter for the producers submitting the scheme to designate whether or not they wish consumers represented on the board, but I think producers have reached the stage where they fully realize that the good will of the public is essential in the marketing and regulating of their products. Personally I would say that the consumers would be more protected under this act than they are at present.

Mr. MOORE: (Ontario): Speaking on May 8, the minister stated:

I am answering the statement which the hon. member for Ontario made decrying very strenuously the principle of compulsory cooperation. I could give numerous similar examples throughout the dominion where members of a community bind themselves together because the majority feel that it would be of advantage to have compulsory cooperation. For instance, I might cite the building of roads.

Then later on the minister, referring to the member for Ontario, says:

If we follow the argument advanced by the hon. member for Ontario, I suppose he would advocate that each farmer in a community should make his own trail and build his own road to town so that he might thereby retain his own individuality and initiative.

Now, Mr. Chairman, so far as the farmers of my county are concerned, the county which I represent with an honoured colleague on the other side of the house, that is precisely what many of the producers of my county do. They and their fathers have built trails, out of many years of hard work and honest service—trails to their own markets. I want to know from the minister if the vote of any group of men is to destroy what they have done. They have sold, and still sell direct to the consumers. Many of them sell to the merchants. Is it possible that we are passing legislation to enable any body of producers to wipe out what they have built? May I go a little bit further?

The producers of my county are business men. I think my colleague who sits on the other side of the house will say that some of them are very able business men. Are they to be deprived of the privilege of conducting their own business? Many of them have sold their products under farm names, and those farm names stand for quality of goods, for integrity of service. Many of them have registered brand names. Are those brands to be wiped out by the vote of other producers? To me the matter seems almost incomprehensible.

The minister has taken the parallel of the road. Are these producers to be forced, blindfolded, down the common road? The other day in this house the Minister of Trade and Commerce referred to the wiping out of the services rendered by the captains of industry through the operation of finance, through the working of mergers. He said that we had lost the direction of five hundred men who knew industry and had been accustomed to direct it. I agree with the minister that was a very serious loss. But under this bill are we to wipe out the initiative of hundreds of thousands of farmers and centralize it in the hands and under the direction of any group of marketing boards?

In my county there are some people who will agree with the minister as to the road argument. It is a very old one. They say: the common road; then they go on and say: the common vehicle. We call them communists—the common vehicle to market. There are some men who have no horses. There are some men who carry their produce to town by carts, and others who carry it by truck. Is it proposed to have communism in our marketing vehicles? That principle has been advocated over and over again; it is now being advocated, but by men whom this government watches most carefully because they have believed and we have believed they are trying to upturn the economic life of this country.

I want to go just a little bit further. I was surprised that the minister made this statement in the paragraph which I have quoted. He said:

I think the whole principle of our democratic institutions is that the majority be given power to effect what they think is in the best interest of the community.

I want to know how far that is to go. Are we to decide these things by referendum? Are we to decide by referendum that this man may lose his trade mark, and just because he is a farmer leave it to the vote of other producers, while still preserving the trade mark of big industry? Are we to do it by elections and, if so, how are the elections to be conducted? Are we to have no say as to who is to have the franchise? I was very much surprised at the answer given by the minister to the hon. member for South Perth (Mr. Sanderson), that we were turning over blindly, without any restriction as to franchise, the power to vote. I should like to back up what was said by the hon. member for South Perth. There are some very large poultry plants in my riding, some of them containing several thousand birds. There are men in my riding who have many, many thousands of dollars invested in farms. Are they to have just the same vote as a man who has only twenty or thirty hens and with whom poultry is simply a side issue? It may be said that this is a democratic principle and we ought to think of humanity. Shall this vote be based on the labour employed? There are men farming in my riding who employ thirty or forty men and women; are they to have just one vote, the same as the man who employs no labour? Perhaps it is unfair to ask the minister to answer right here, but it is just as unfair to pass this bill without an answer.

The minister says:

If the principle works out in practice as it does, I feel that compulsory cooperation in that form has been acknowledged as a very valuable and necessary instrument for the furtherance of our present day civilization.

I felt very despondent when I read those words. I had taken the trouble to show the minister where failure after failure had occurred throughout the world, and still he says that the principle works. I should like to know upon what grounds the miinster bases that statement. On May 4 the minister referred to Queensland as a state in which this principle had worked, and he gave a list of about fourteen agricultural commodities in connection with which it works. He then said:

But the suggestion that these cooperative methods have failed and been discarded for new methods is certainly refuted by experience and by the evidence given here.

I do not want the minister to feel that I am opposing this bill in any narrow party sense. The minister is a man of training and is at the head of a very responsible department. I should like him to go over the list he gave me and note the omissions. Wool is not mentioned, beef is not mentioned, nor is mutton. It begins with arrowroot, then there is Atherton maize, barley, broom millet and so on. Just by accident I happened to run across the figures for the production of wheat in Queensland in 1929-30. These figures show that they produced less than 3,000,000 bushels in that year. The list includes peanuts.

An hon. MEMBER: Hear, hear.

Mr. MOORE (Ontario): My hon. friend should not laugh because the peanut industry is a very important one. I should like to show the minister how it has worked out in this industry in Queensland. A duty was placed against peanuts and the consumers were very much offended. They went to the tariff board and asked for repeal of the duties. They said they did not like the Queensland peanut; they wanted the big jumbo peanut. The Queenslander produces a little red peanut, but when the hon. member for Toronto East Centre (Mr. Matthews) and myself used to go to football games and hockey matches we always liked the big jumbo peanut. I should like the minister to note the reply made by the producers to this request, because it is the reply always made by producers working under this sort of legislation. They said to the tariff board: If you keep the duty on peanuts high enough and have it sufficiently prohibitive, the consumers will soon forget there ever was such a thing as a better peanut than those we produce. That is the way it works out.

I should like to give another illustration, but I do not intend to follow the minister through the list of commodities in which he stated this compulsory marketing legislation works out in Queensland. I should like to refer to dairy products because I know the minister is particularly interested. I should like him to have his department work up the record of Queensland in dairy products. The following figures show the gallons of milk produced per cow in Victoria and Queensland over a series of years, beginning with 1920:

	Victoria gallons	Queensland gallons
1920-22	341	265
1923-25	359	244
1926-28	406	267
1929	443	277
1930	470	309

Queensland has lagged behind the other Australian states in dairy production; Australia has lagged behind New Zealand and New Zealand has lagged behind Denmark. This is what happens under compulsory legislation. When you introduce socialistic measures you introduce inefficiency.

The minister has referred to the compulsory marketing of cotton, but I should like him to tell us how that works out in Queensland. Bounty act after bounty act was passed granting subsidies of from one and a half cents to three cents per pound, but the cotton has been so inferior that the manufacturers have had to be paid to use it. That is the way it works out. The minister has submitted Queensland as an example of success in answer to the numerous failures which I cited. I stated the other day that the Minister of Trade and Commerce was one of my favourite publishers, but the minister is another one. The last issue of the Economic Annalist contains an editorial which refers to this legislation as a measure to afford relief from depression and as a means of stabilizing prices.

I wonder whether the minister would do me the honour to turn up and read a speech that was delivered by Mr. Bruce when the Dairy Produce Export Control Act was introduced in Australia, in which he referred in much the same terms as the minister has done, to the needs of the farmer and to the necessity for price stability. That was on September 17, 1924, nearly ten years ago. Have we had price stability as a result of ten years of operation of that act? I want

to insist that I am not opposing this bill on any narrow partisan grounds. Frankly, I believe the minister and the government have the best intentions in the world that this bill will help us out of depression, but the experience for Australia has been that similar legislation has prolonged the depression. Again I would like to give authorities and I quote now from Professor E. Ronald Walker, Professor of Economics in Sydney university. His book, which is entitled Australia in the World Depression, was published just this year, 1934; his word ought to be good; he refers specifically to this sort of legislation and this is what he says on page 80 of his work:

> The "scattered agricultural producers" have attempted, in several cases, to remove some of their disabilities by joint action, both through cooperation to achieve "orderly marketing," and through political pressure to obtain various forms of governmental assistance. The operation of such schemes has, since 1929, had unfavourable results. Price control has increased stocks and encouraged output, even during the period of falling prices, and protections and bounties have strengthened this tendency.

I cannot imagine any stronger evidence that this bill cannot do what the minister or the farmers think it will in raising their prices and in restoring their prosperity. If it works out as similar legislation has done in Australia, it must make the depression even stronger. Continuing on page 83 of the same book, Professor Walker said:

> Yet there are two obvious ways in which the suspension of borrowing has tended to reinforce the fall in agricultural prices. First, the latter had been sustained in some cases by pools financed more cheaply because overseas loans kept the local rate of interest down—

I wonder whether the minister will pay attention to this:

> —and the collapse of the price-control schemes has been facilitated by the withdrawal of this credit.

That is not my statement; that is the statement of a professor of economics in Sydney university.

Mr. WEIR (Melfort): Might I interrupt the hon. member just for a moment?

Mr. MOORE (Ontario): Certainly.

Mr. WEIR (Melfort): I think the hon. member has not read what I put on record since he left. As to his quoting from Professor Walker, in the first place I think we are all pretty well agreed that the hon. member could quote from individual opinion after individual opinion in favour of individualism; we could quote expert opinion after expert opinion in favour of cooperation and compulsory cooperation, but the basis in this case, for example, of Professor Walker's statement and deduction is on price fixing and there is no price fixing in this bill.

Mr. MOORE (Ontario): I doubt that very much. The statement was:

> The "scattered agricultural producers" have attempted, in several cases, to remove some of their disabilities by joint action, both through cooperation to achieve "orderly marketing," and through political pressure to obtain various forms of governmental assistance. The operation of such schemes has, since 1929, had unfavourable results.

That is a statement not in defence of individualism; it is a statement made by a professor of one of the leading universities of Australia writing in connection with Australia in the world depression. That man is not defending any principle. I will admit that I have defended and do defend individualism, but this man is a trained investigator, on the ground, seeking the causes of the depression in Australia and the way out of depression.

I doubt whether there is any need for panic. I am either right or wrong in thinking this bill, if made law, will bring about an economic revolution. It is very easy to shout "red;" it is very easy to make such statements as I have made, but will the minister tell me: What is the history of the bill? What is the history of legislation of this kind? He has made that very plain; he says:

> Queensland was perhaps the pioneer state in this system of cooperative marketing.

What was the background in Queensland? The minister, who is a graduate of the university from which I graduated, is familiar with social questions. He will remember the name of William Lane, a man who conducted in Queensland an agitation and almost brought about a revolution for communism in the latter part of the last century, an eloquent, honest, misguided man. The minister will remember the uprising that followed in Queensland and the horrors which were perpetrated. He will remember that Lane carried a group of his followers to Paraguay and there founded a new Australia, and when the tide in Queensland subsided, it left this form of legislation. Founded on communism, Queensland was the pioneer state of socialism. Mr. A. St. Ledger, a senator in Queensland, writing on the subject of Australian Socialism, pointed that out very clearly. He said:

> Socialism had its origin in Queensland. From Queensland it took its inspiration. The Worker was the press exponent of the spirit of that socialism.

The Worker, by the way was the organ of Mr. Lane.

It undertook to explain to Australia what socialism meant, and what was its spirit.

That was the background of this legislation. How did it come about? It came about for this reason: the people decided that it was a government function to fix wages. Not marketing, mind you, not first. It was a government function to fix wages. The farmers in Australia had many employees. Having passed that legislation then the government was obliged to pass legislation fixing a wage fund. This government has the cart before the horse.

Now for the benefit of my hon. friends to my left and for the information of the minister may I say that Queensland was the pioneer cooperative commonwealth. I am not an authority; it may have had its genesis before this time, but in 1905 a labour convention met at Brisbane in Queensland. Mr. Reinhold, who was a member of the legislature, moved the following resolution:

That the objective of the labour movement is the establishment of a cooperative commonwealth by the furtherance in national, state, and municipal legislation of the following principles:—

(a) In "politics," the principles of democracy. Complete self-government vested in the people, every adult standing on equality at the ballot box.

(b) In economics, the principles of collectivism. The scientific organization of labour; the equitable distribution of the product of labour by the nation, state, and municipality owning and cooperating, in the interests of all its citizens, the monopolies and large industries of the community.

That is the background of this sort of legislation. That is the birthplace. Well, there is another remarkable parallel. We have here a union of forces back of this bill. You will find the parallel in Queensland. May I again quote from Senator St. Ledger, and I think this under the circumstances is a remarkable quotation:

The public—except in Queensland—were deluded into believing that socialism was not then at any rate the real issue. The anti-socialists were divided on fiscal questions. The parties were returned again to parliament, each with its former numerical ineffectiveness. The high tariffists bid for socialism.

Mr. MACKENZIE (Vancouver): History repeats itself.

Mr. MOORE (Ontario):

The socialists exacted the promise of "the new protection." In this way they won the first large instalment of the machinery necessary to begin to lay the foundations of the nationalization of all industries.

I do not want to speak at length. The minister and some of the other hon. members on the other side of the house have referred to my abhorrence of coercion, and they have intimated that I believe in laissez-faire. Well, I do to a certain extent.

Mr. GARLAND (Bow River): Only to a certain extent?

Mr. MOORE (Ontario): But when have we ever had laissez-faire? How do we know whether it will work or whether it will not? For years under all governments we have had farmers coerced—coerced, you can say, in grading; coerced in marketing. Hon. members on the other side of the house pointed out all the coercion we had had. Well, we have depression now, and we have had these coercions for years. Surely there is a difference in the object of coercion. I can see where a man should be coerced to the extent of being prevented from selling bad eggs, but it is a different thing from coercing him from selling eggs at all. I can see where I should be coerced not to take another man's property, but it is a different thing when I am coerced in the use of my own property. I can see—and I want to make it very strong—why people should be coerced into refraining from monopolies, but I do not see why a man should be coerced in the matter of the carrying the product of his own labour into the open market. These matters are, I suppose, of academic interest to us now in a way, but they are going to be very practical. I want the minister to remember that they have been very practical for a very long time in Russia. There you had cooperation. We speak of compulsory cooperation. They are under no illusions as to what it means in Russia. A. E. Malakhoff was one of the apostles of cooperation in Russia. After the revolution he was driven out, and in an interview he gave in London he made a distinction which I would have the minister bear in mind. He said:

A noble aim requires also noble means. Cooperation cannot lean on bayonets,—

May I add, neither does it lean on the policeman's baton.

—neither can it enforce its aim with the help of bayonets. It must act as an economic, cultural and organizing force.

When you introduce coercion, cooperation ceases. Something that is lovely becomes unlovely. Then when you create these producing units and give them their respective jurisdictions, you are faced with the difficulty that they had to face, and I presume they

faced it honestly in Russia, when it was announced officially:

> We could not authorize small separate organizations to carry out the forthcoming exchange of goods, on which depends the welfare of the whole nation. The exchange of goods must be carried out by the state.

That is a natural consequence. The nature of this legislation is known throughout the world. It is a half way house. The cry of "control," the cry of "planned industry," retaining private property is a cry that appears to please everyone. But it will not work. I am not going to give an elaborate argument but in conclusion I should like to show in just a few words why it will not work.

What is the object of private property? We all want to own something, a farm, a factory, for production. Under our present system why do we want to produce? To make a profit. And profits depend upon prices and costs and the spread between the two. Now the planner comes in, of the state, or someone else, and controls prices or costs. A few moments ago the minister said there was no intention to control prices. I believe that is correct, is it not?

Mr. WEIR (Melfort): No price fixing.

Mr. MOORE (Ontario): I wonder if I may just interrupt the thread of my argument to tell a story. Some little time ago on the train I met a friend of mine who is at the head of a very large monopoly. I charged him with being a monopolist, and I think I used the term "price fixer." He said, "We do not fix prices." I happen to know something about his organization, so I said, "I know you do not, but you do distribute territories." He replied, "Oh, yes, we distribute territories." I asked, "You parcel off the consumers?" to which he replied, "Yes." I asked, "What effect has that on prices?" "Oh," he said, "prices then fix themselves." When anyone intervenes in competition he does so with two results. Either there is no profit or there is profit. If there is profit his intervention is unnecessary. If there is no profit then eventually the producer becomes bankrupt. Then comes the cry for compensation, and in this bill you will find provision for compensation. That is general throughout the world in regard to these compulsory cooperative marketing boards. When you have compensation you must have taxation, and the higher grows the taxation on the farm or factory. Then the state takes possession. It takes a lag, and we may be deceived by the lag, but the inevitable end is state socialism.

Mr. WOODSWORTH: I rather thought we had discussed the principle of the bill on second reading, but if the discussion of the principle is to be carried on I think perhaps something should be said on the other side following what has been said by the hon. member for Ontario (Mr. Moore). It is a decidedly interesting experience for me to hear the hon. member for Ontario denounce the Conservatives for having copied the Russian plan. It is rather worth living to find that queer twist in our political lineup.

Mr. GRAY: That is just about as strange as seeing the hon. member support the government.

Mr. WOODSWORTH: That may be, and for that reason I want to direct attention to the actual situation. In the past we have sometimes supported certain measures brought in by the Liberals, when we thought they were fighting for political liberty. It is curious that their idea of liberty has changed so that when we want some sort of liberty for people in the industrial field they cannot see that we are fighting for the same principle. The hon. gentleman who has just advanced these most extraordinary ideas is essentially an anarchist; I think probably he would admit that. The fact that he is a philosophical anarchist does not alter the case very much; essentially he does not believe in government. I do not know why he should have any place in the house or why he should bother about participating in public affairs.

Mr. MOORE (Ontario): May I protest, Mr. Chairman. I have just stated that I could see the difference between coercion in selling a bad egg and a good egg.

Mr. WOODSWORTH: I am glad the hon. member for Ontario has enough intelligence to admit that degree of compulsion, but I hope he will go a little further than that. Essentially he thinks that coercion is not compatible with any degree of cooperation. I cannot think that we should quite admit that. As a matter of fact all government is based more or less upon coercion. Sometimes the coercion takes the form of physical coercion, military coercion and so on; I suppose we must admit that. Some of us would like to see governments based upon some other principle, but in the past governments have been largely founded upon a large measure of coercion and, as my hon. friend from Bow River (Mr. Garland) suggests, they have been sustained by coercion. I cannot think that if they

consider this matter carefully most of the members of this house could subscribe to the anarchical expressions which have just fallen from the lips of the hon. member for Ontario. Whether or not we use physical coercion we do make use of some measure of coercion in almost every department of government.

Mr. ERNST: I believe it was proposed in The Definite National Purpose; we were to have compulsory retirement of individuals and dividends at sixty-five.

Mr. WOODSWORTH: I believe so. Starting with the lowest unit in our government, that is the municipal government, we find coercion. We provide such ordinary municipal services as water works, sewers, fire protection, schools, police protection and so on. These all involve coercion because all the citizens of the town must pay taxes to secure these services and must do that whether they like it or not. In our ordinary municipal affairs there is no possibility of voting ourselves out of the community. I think I gave an illustration when this matter was under discussion on the second reading. I recall very well when it was proposed to establish a water works in my own city. A great many of the citizens did not like the idea because they had pumps in their back yards, but on the whole it was decided to introduce a water works system. We brought water from Shoal lake, a hundred miles away, which involved the expenditure of a large sum of money, and this meant that the ordinary citizen had to close up his pump and participate in the new scheme, for which he had to pay. That was a measure of coercion.

Someone else mentioned public schools, and undoubtedly we have compulsory education. It may be all very well to say that parents ought to be allowed to educate or not educate their children as they see fit, but we compel people to have their people educated. At the time Ryerson introduced the public school system in Ontario a great many people spoke precisely as the hon. member for Ontario has spoken this afternoon. They said it would be a horrible thing if bachelors and others should be forced to pay for the education of the children of other people, but we have gone ahead and forced bachelors and others to pay taxes to support the educational system. The same thing applies in connection with public health. If one of my family is taken ill with an infectious disease my house is quarantined immediately, though it is my private property. The public health officer comes and tells me what I have to do with my sick child. He may come along later and tell me that I must burn the bedding; it is my bedding, but I have to burn it and I must disinfect the house in a certain way. There is coercion all along the line with regard to health services.

Mr. DUPUIS: That is not coercion; it is education.

Mr. WOODSWORTH: But if I do not obey I am haled before the courts.

Mr. DUPUIS: You are likely to do it anyway.

Mr. WOODSWORTH: Yes, you have to do it; that is all coercion.

Mr. DUPUIS: That is within liberty.

Mr. WOODSWORTH: Yes, these other things are within liberty. We do not consider that we have curtailed liberty when we are all more or less compelled by our municipal regulations to do or not to do certain things. The same is true of our provincial affairs. I can recall, as a child, passing along roads which had been constructed, largely, by new settlers. When we had passed along a certain distance we had to stop at a toll gate and pay a toll. In fact, in the present provincial election campaign we are being reminded of that old practice; they are resurrecting the idea of the toll gate, but in a new sense. In those days because individuals had done service in building roads, they were allowed to charge tolls. To-day the provinces undertake to build roads over which anyone may travel, but we have to pay the taxes, and in that way we are forced to participate in the building of the roads. The same applies to other provincial services. The same is true in respect of matters which come under the jurisdiction of this house. We have built railroads across this country, and I think no one knows that any better than the hon. member for Ontario (Mr. Moore). Who could stay out of schemes for railroad construction? The railways were given charters and enormous grants, and to-day the public is being forced to pay the interest on the enormous loans and grants then made. It is a question of coercion.

We give certain privileges in the form of tariffs—and again the hon. member for Ontario surely must recognize that no one can stay out of the tariff arrangements of this country. Whether we like it or not, private business must conform to the tariff policies laid down by the government in power. Again it is a question of coercion. As someone beside me suggests, we have to pay tariffs on our automobiles, and so on. We cannot get away from the system. The

same is true in our elaborate system of public works of all kinds; everywhere there is more or less coercion. And when we come to war, we know that as individuals in the last war we were not allowed to say whether or not we would stay out of the war. The whole country was dragged into it, and that without even reference to parliament. In addition, individuals were not allowed to have their own lives exempted, because compulsory conscription was brought into operation. There was conscription, which undoubtedly meant coercion.

I believe we must recognize that throughout the length and breadth of our affairs we are more or less under coercive measures. It is quite true that certain minority rights are granted. In that way it is sought to protect the rights of minorities who do not agree, to the full extent, with what is being done. But, in a general way, and in regard to most matters, we are all forced to fall into line.

Now, what is the situation in which producers find themselves to-day? I go out to British Columbia and I find that in that province there are fruit growers who desire to make a living, who have invested their capital in properties and who through a number of years have planted trees and put work on them. Now they find they have a crop to market, but they also find that the market is so arranged that they cannot possibly sell their individual crops without having some sort of cooperative scheme. They have tried voluntary cooperation, but because of certain individuals who are anti-social in their outlook they have been prevented from carrying out their scheme of cooperation. Is it strange that they should come to parliament requesting that it be made possible for the majority to obtain their will? The fact is that the majority of citizens out there feel that they cannot carry on without some sort of coercive measures. It is merely an extension into a new sphere of the ordinary governmental arrangements which we now have.

I come to the wheat growers of the prairie provinces. We talk about the liberty of the individual. Let us consider the farmer who takes his grain to one of the great series of elevators extending across the prairies. He may be a thousand miles from Fort William, and four or five thousand miles from Liverpool. He cannot put his grain on his wagon, as he used to do, and drive to the local market. That is a situation which passed thirty or forty years ago. He has to take his load to the elevator and leave it there, taking whatever price he can get. If the elevator man does not want to take it in, the farmer takes it home, and that is all there is to it.

[Mr. Woodsworth.]

Mr. VALLANCE: No, he does not. The elevator man must take it.

Mr. WOODSWORTH: The farmer must take it away.

Mr. VALLANCE: He must take it to the elevator, if it is in storable condition.

Mr. WOODSWORTH: He can take it to the elevator; the only other possible procedure open to him is to take it back home.

Mr. VALLANCE: He must take it.

Mr. WOODSWORTH: What possible freedom is there—

Mr. VALLANCE: The elevator man must take it if it is in storable condition.

Mr. WOODSWORTH: I am not saying the elevator must take it.

Mr. VALLANCE: But I am saying so.

Mr. WOODSWORTH: I am afraid my statement has been entirely misunderstood. My statement is that the individual farmer is helpless. He takes his grain to the elevator, and if there is room the elevator man will take it. But if the farmer is not satisfied with the price offered, or with any other condition, the only possible procedure open to him is to turn around and take his grain home again.

Mr. VALLANCE: Will this bill change it?

Mr. WOODSWORTH: Yes, this will change it.

Mr. VALLANCE: I should like you to show me where it will do so.

Mr. WOODSWORTH: For the moment I am speaking about individual freedom now possessed. Anyone who knows the history of farming in the west—and the hon. member who has just spoken must know it—knows perfectly well how they have been trying through cooperative efforts to improve their situation. They have realized how difficult—impossible, in fact—it was for them to act as individuals, and to get what was coming to them: hence the formation of cooperatives. My hon. friend knows perfectly well that years ago a very large number of farmers in the prairie provinces realized it was impossible to carry out a purely voluntary scheme, and advocated a hundred per cent wheat pool. For the moment I am not discussing whether or not this bill is all that it should be, but I do say that the principle of coercion is one to which we are accustomed in other spheres.

Let me take, for example, the cattle business. I live in the city of Winnipeg and

know some of the farmers in that district. They have told me about driving cattle to Winnipeg, or shipping them by truck or railway, and receiving only $5 or $10 for an animal which had cost $15 or $20 to raise. Under the circumstances what could they do other than accept the price offered by the cattle buyers? It is quite true that if they had driven the beast in they could have driven it home again, but their expenses would have been too high. Under present conditions the producer is almost helpless. A buyer came to see me last year and told me that he had attempted to secure poultry to ship to the British market. After receiving an order he made an effort to obtain a carload of poultry. He travelled from place to place, from farm to farm, finally from Winnipeg to Saskatoon, and after going through some rather shady transactions and splitting his order into three or four parts he managed to obtain a carload of poultry to send to the British market. Those were his difficulties, so strong was the monopoly, and so impossible was it for him to break the monopoly which existed at that time.

I do not think we need discuss the question of tobacco, which has been reviewed before the price spreads committee. I should like to know in view of the situation which has been found to exist in Ontario what possible freedom of action is possessed by the individual grower. The fact is that we are living under a set of conditions that make remarks such as those made by the hon. member for Ontario absolutely ridiculous, more than ridiculous, because he is talking of conditions that existed fifty years ago. His remarks do not apply to conditions as they exist to-day.

The same is true with regard to his suggestion about a man having a right to his own private property. I have said in this house before, and I should like to repeat, that it seems to me the time has come when we shall have to redefine what private property is. I take it from its derivation that private property should mean those things which I can use and enjoy for myself. It has to do essentially with personal matters. But the lawyers have stretched its meaning. They have created an artificial body which they have called a corporation, and they have endowed that corporation with nearly all the attributes of an individual. They have said that the corporation can hold private property. It is an altogether unwarrantable extension of the term, and so we have these great corporations and trusts to-day holding what they call "private property." The result is that it is an absolute impossibility for me to have any effective control over my private property in the face of the strength which these big corporations exercise in the economic sphere.

We who have been accustomed to the straits in which the labour people find themselves have had this borne in upon us over and over again. In the old days a man had the opportunity to work with his own hands and sell the product of his labour, but unfortunately very few people have that opportunity to-day, for the vast number of people are working under the wages system. They are employees of someone else. They have not the right to sell the product of their own hands. The best they can do is to receive a wage, and somebody else takes the product off their hands and sells it for them, but actual producers having no voice in its sale and really having no right to say how much of what has been produced shall be kept by themselves. That is the situation that exists, and under these circumstances this idea that we are losing something of our private initiative and sacrificing our private property is all nonsense.

The same is true of free trade. It was all very well a hundred years ago to have free trade when the indivdual was producing with his own equipment and in free competition with other individuals, but we know perfectly well to-day that we no longer produce as individuals. We produce in what is essentially forced cooperation in a great factory. I say forced cooperation because in order to earn a living a man must go into the factory where there may be one thousand or ten thousand employees all working together, cooperating if you like, but it is forced cooperation under the lash of economic necessity. Well, under those circumstances it is futile to talk about competition in the old sense or about free trade in the old sense. At best it is free competition only between big industries and free trade only between huge corporations. Superimposed upon that we must remember that we have arrangements existing with regard to prices, tariffs, gentlemen's agreements, and what not. Free trade under those circumstances becomes an almost meaningless term.

Competition is the life of trade—that is what we used to be taught and we wrote it in our copy books, if I remember right, but to-day Mr. Beatty of the Canadian Pacific Railway comes along and tells us that there must be some sort of unification of administration of our railroads, that competition means waste, and I think Mr. Beatty is right, that ultimately competition does mean waste. It is a question in each particular case to decide if

it is worth while to adopt a system that does mean waste. But when we have reduced our competition between the railways to competition between two systems only, the Canadian Pacific and the Canadian National, and Mr. Beatty, a recognized authority, comes along and tells us that even that measure of competition is wrong and that we should have unification in order to eliminate waste and promote efficiency, then I say we may well ask whether we shall not have to reconstruct our ideas and bring our policies up to modern ways of conducting business.

The member for Ontario, as I said earlier, is essentially an anarchist in his thinking. He does not believe in the reign of law. He holds up the horrors of socialism. But what is socialism after all? It is simply the doctrine that the interests of society should be given precedence over the interests of predatory individuals. That is all. Surely we have reached that stage when the interests of the community at large or the interests of very large sections of the community ought to have the right of way over the selfish interests of comparatively small groups.

Mr. DUPUIS: Another camouflage for democracy.

Mr. WOODSWORTH: Somebody suggests that that is incompatible with democracy.

Mr. DUPUIS: I said that it is another camouflage for democracy.

Mr. WOODSWORTH: I take it that democracy, according to its root meaning, means the rule of the people. We have had a certain amount of the rule of the people when it comes to what we have termed purely political matters, freedom of speech, the right to vote, and so on, and I give all credit to the historic Liberal party for having won us a certain amount of constitutional freedom along that line. But there are other lines along which we have not yet attained democracy, the rule of the people. You go into any industry to-day, and industry managed by a great corporation, under a manager who is all-powerful, and will you tell me that there is any rule of the people in that industry? The rule of the people would mean that the employees are given some rights in that industry, that they have something to say about hours of labour, the wages they are paid, the profits gained, and have some share in the division of profits. That would be the rule of the people within that industry. But industry has remained outside of democracy. Industry to-day is an autocracy, and industry is suffering to-day because it is an autocracy. It seems to me that in some way we shall have to introduce principles of democracy into industry.

The same thing is true of our commerce. This committee on price spreads is simply revealing in a public way what a good many of us knew before existed, that we had autocracy in our commerce, and that under the present conditions people were suffering. I do not think we can go back to the old idea that each tobacco producer, we will say, can himself see that his goods reach the final consumer. I think that is an impossibility. Under these circumstances we have to arrange that the producers have some sort of protection, some sort of help in arranging their cooperative enterprises so as to gain the full results of their production and through the cutting out of the middle man be enabled to participate in the marketing of their products.

Mr. HANBURY: What are you going to do with the middle men?

Mr. GARLAND (Bow River): Put them in the Senate, where some of them are.

Mr. WOODSWORTH: As middle men I hope they will be eliminated.

Mr. HANBURY: Are you going to have producers only?

Mr. WOODSWORTH: No. I would say that undoubtedly there is a function to be performed by the man who stands between the producer and the consumer. I would refer hon. gentlemen to the splendid work that has been done by the cooperative societies in Great Britain. They have recognized the necessity of cooperation over there, and they have employed managers to carry on their business in an efficient way. They have themselves engaged in production, setting decent minimum standards of living for those engaged in production. It is quite possible that they may show us the way to carry this out.

I am criticizing this bill because it does not safeguard the interests of the consumers. Theoretically I might approach this whole problem from the standpoint of the consumer rather than of the producer but I must deal with matters as they now stand. The producers are in a very bad way and I think we are doing the logical thing by safeguarding their interests. It may be that ultimately we will have to approach this problem from the standpoint of the consumer rather than of the producer but in the meanwhile we are providing for certain minimum standards which

the producer cannot obtain without some help from the state.

When I was interrupted a few minutes ago I was about to say that it seems to me that in the realm of finance we are still under an autocracy. I do not know of any better confirmation of this fact than the statement made by the Minister of Finance (Mr. Rhodes) a few weeks ago when the central bank bill was under discussion. He said that if there was a difference of opinion or of policy between the government and the new central bank, the opinion and policy of the central bank would prevail over that of the Minister of Finance and the govenment. As I tried to point out at the time, that simply means that we are legalizing the autocracy which exists in the financial world. I take it that in the financial as well as the commercial world we shall have to introduce principles of real democracy. I think some of the principles which I have been trying to advocate show that I believe in democracy far more than the Liberals; that I believe in freedom far more than the Liberals, and I would urge upon them that the principles of Liberalism, the principles of freedom and the principles of democracy have to be worked out under twentieth century conditions and not under nineteenth century conditions. I give credit to the Conservatives that in this bill they are attempting to do more than the Liberals have done.

Mr. MULLINS: Mr. Chairman, I have not taken up much of the time of the committee as I realize it costs $41 per minute to conduct the business of parliament, it is not my intention to take up very much time now. I have listened to the pros and cons of this discussion; I have listened to the hon. member for Ontario (Mr. Moore), but much as I would like to agree with him, I cannot. I realize the appalling situation facing agriculture in western Canada and I am prepared to support this bill if it will assist agriculture out of the morass and mess in which it is at the present time.

A lot has been said about cooperation. At one time I opposed cooperation more than any other hon. member, but later on I became converted. I mean cooperation without exploitation. It is not cooperation when a man exploits the public by getting a good position and obtaining his pound of flesh. I want the same kind of cooperation that we had in Glasgow. When the cooperative system was first proposed there, I opposed it most strongly. I refused to sell my cattle to the cooperative but finally I found myself trading with them and I discovered it to be a really good system. The hon. member for South Battleford (Mr. Vallance) knows the success which has been made with that system in Glasgow and I am sure he is familiar with the stores scattered all over the city.

Mr. VALLANCE: But it is a voluntary system.

Mr. MULLINS: It is true cooperation. After I was defeated in 1926 I went to California. At that time I heard a great evangelist over the radio and this is what he said: Labour, you have a perfect right to be organized as long as the men at the head of your organization are not leading you to some place politically in order that they may obtain fat positions. Farmers, you have a perfect right to be organized, he said: I am one of you, but I think we are the biggest fools that ever went into organization. I had ten acres of walnuts near Los Angeles and every year my wife and I shook hands when we received $1,600 yearly for our walnuts. But a young man came around one day and wanted me to join a cooperative organization and since that time my wife and I have not shaken hands. I am now getting $400 per year for my walnuts while this young man draws $30,000 per year and he does not know walnuts from hickory nuts.

The same thing is what was wrong with western Canada. You had your Mr. Crerar, a gentleman who occupied a seat in this house. His company organized the farmers in the cattle business, but what was the result? The hon. member for Lisgar (Mr. Brown) can tell the committee.

Mr. BROWN: Yes, I can.

Mr. MULLINS: You can tell the results when you get up to speak. What was the result of organizing the farmers in the cattle business? They engaged incompetent men and could not carry on the marketing of their products. I am going to support the minister although I will admit that at first I was afraid of this bill. I did not like cooperation in Scotland when they brought it out, but I was converted. We are living in changed times. Last Sunday morning I listened to the minister of Yorkminster church in the city of Toronto. He said that in his time there would be no poverty, the change would come about by evolution and revolution. I spoke to him about using the word "revolution" but he said: I did not mean brickbats and rifles, I meant a revolution of the

heart. Things to-day are not the same as they were in the old days of fifty years ago, conditions have changed.

I can remember when I used to go into the field and ask a farmer what he wanted for his cattle. He wanted so much, I would make a bid and we arrived at a bargain. But some men have gone through the country to get the farmers to ship their products to the packer and let the packer set the price. The initiative has been taken away from the farmer. He now loads his cattle into a truck and they go to the packer's yard and the packer does the weighing, the grading and sets the price. All hon. members need to do is read the evidence given in the Stevens committee. I think the old system was the best. I admit that I liked it but I realize also that times have changed. While I am getting grey I think I have the right to measure up the situation as it is facing us to-day.

They say this is the young man's age, but I think the old days were the best. In the old days we had our pipes and were not spending $50,000,000 every year on cigarettes. We were not blowing up $50,000,000 a year in smoke. I think of the old family doctor and then I think of the specialist we have to-day who reaches into your pocket book and takes your last dollar before he operates on you. I think of the old storekeeper in my constituency of Marquette, which I am proud to represent, a purely agricultural constituency, not a single manufacture in it. I think of the little towns, smaller to-day than they were forty years ago, withering up through the new systems of buying and marketing. Those systems were wrong but I believe the system proposed will help the farmer particularly along two lines, and I want to mention them. Does the committee realize what is meant by the provision in the bill for the regulation of importation of products? I have not heard a word about this from the other side of the house. Why do hon. members opposite not speak of the way in which this measure will regulate the importation of products?

Do hon. members know that Canada is importing equal to 17,000 head of cattle from the Argentine? Do they know that there are being brought in all the old, decrepit cattle, all the rubbish of the Argentine ranges, in the way of canned meats that can be found on the shelves in our retail stores? I say: Heaven help the mothers of to-day who become can openers. I wonder whether in the ladies' college, when they were giving them their degree in domestic science, they presented them with gold-headed can openers. I think of the old times when our mothers knew how to cook a roast of beef. I have in my hand a can of meat; I took the label off it; I did not intend to bring it into the house but I may say that I bought it in Ottawa. It represents part of the product of many thousands of cattle in the Argentine. I ask those who have used this canned meat: Do you know what it is composed of? It is made of the worst class of animals on the range. I dare not mention on the floor of the house some of the animals that are inside these cans of meat, yet some mothers will open them and use the contents. I would like to go further along this line but I say to the minister that if he will put into effect that part of the bill providing for the regulation of the importation of those meats and also vegetable oils that are coming into Canada millions will be saved to the farmers of the dominion as a result.

We are bringing in cottonseed oil, with the odour taken out of it by the Wesson process, letting it go into our packing plants and be sold to the people to replace lard. Every time you eat fried potatoes, just think you are eating cottonseed oil, the product of the southern states, deodorized by a system called the Wesson system. I have before me a list of the other products that are being imported and it is appalling.

I am in favour of real cooperation and I wonder why my hon. friends opposite are opposing it. They are trying to get political cooperation in the constituency of Marquette; they want the Liberals and Progressives to cooperate. Then why are they opposing this bill? I have before me the report of a meeting in my principal town, Minnedosa, and it says "Cooperation between the Progressives and the Liberals." I would say to my hon. friends opposite in an advisory way: Go out as good, honest Liberals and contest the seat. If my right hon. friend gets those Progressive Liberals tacked on to him and he comes into power at the next election, he has my sympathy; I will come here and sympathize with him because when he spoke at Kentville, Nova Scotia, at Moose Jaw, Calgary and all over western Canada, he did not want those people tacked on to him and yet in Minnedosa my hon. friends opposite want cooperation. I may say that I cut this clipping out of the Free Press yesterday. A gentleman by the name of Linden outlines the Liberal policy at Minnedosa, but I find my friend Mr. J. Allison Glenn, who used to occupy the seat before me, he is with him and says that there should be cooperation as Liberal Progressives. That is the cooperation

they are trying to put into effect in Marquette.

If this bill will go toward aiding agriculture I am willing to give it a trial. Why do my hon. friends opposite not do the same thing? If they knew the true situation on the prairies, of the struggling masses engaged in agriculture in the west, as I do, I am sure they would support legislation which is intended to help to bring back normal conditions in the west.

There are many evils we can remedy. I am opposed to the excessively high rates of interest that are being charged by the various corporations in the big cities who have exploited the poor farmer and kept him down. They have had their pound of flesh but today there is danger in sight for them. They are not going to get the same rates of interest as they charged before. Having said that much, I am not going to take up any more of the time of the committee as I do realize the amount of money that it costs to keep this house in session. I appeal to my Liberal friends—and I have many of them on the other side whom I respect very much—that they give some opportunity to the struggling masses. Never mind whether it comes from the far southeast corner of the house or not; it does not make any difference who is supporting it. At first, when I found that the hon. member for Melville (Mr. Motherwell) was supporting this legislation, I was afraid there was something wrong with it, because he and I have been fighting political battles for the last forty years. I would like to take his hand and let us walk in together and say that we meet on common ground. I ask my hon. friends to give this bill a trial in the interests of the struggling masses of the west as stated.

Mr. DUPUIS: Before the hon. member for Marquette takes his seat, would he be kind enough to give us a list of the products imported from the Argentine and to inform us whether since the present government took office they are being imported under the present high tariff?

Mr. MULLINS: No, they have been coming in for many years. I took this question up in 1925 when my hon. friends opposite were in power. They were bringing this commodity in then to an even greater extent than they are now. I want this stopped in the interests of the farmer, tariff or no tariff. Why should we be accepting such low prices for our cattle on account of the importations of such rubbish as this? This is put up by the Bovril people. First, the Bovril is taken out of it and then the pulp put in cans for the people of Canada to eat.

Mr. MACKENZIE KING: The hon. member for Winnipeg North Centre (Mr. Woodsworth) spoke at some length of the necessity of compulsion and coercion in all matters of government. May I say that I agree with him that where you have government intervention you must have behind it the power to compel obedience, but in justifying intervention, and the compulsion by which it is enforced, everything depends upon the purpose to be served by compulsion, in other words the purpose of the intervention. The hon. member has cited a number of instances which, he says, illustrate what he has in mind. He has spoken of the community in which he lives, in which a waterworks system was installed. He says that the people did not like to part with their water pumps, but they had to fall in line and share in the general waterworks plan. He has spoken about education and he said that when the compulsory school education system was introduced, a number of people did not like to send their children to school but that they had to fall in line and were subject to compulsion. With those illustrations he was on perfectly sound ground, but he forgot the reason why. He himself was in those circumstances supporting compulsion. The reason was that he was making the test the good of the community, the general good. He was requiring all classes or individuals to be subject to what was conceded to be for the good of the general community. If he and I are in agreement to that extent, I think probably I can now make clear wherein I differ from him. I personally am in favour of government regulation and government control, enforced by coercion and compulsion if you wish, where it is to assert the good of the community over the good of a class, to maintain the general interest as superior to any particular interest. That is sound ground and that is the basis, where state intervention and control has been regarded as necessary, on which the Liberal party has supported compulsion and coercion in matters of government. But what is desired here in the case of this marketing legislation as proposed is the very opposite of that. What is desired here is to assert the interest of a class, and make that interest superior to the interest of the community, to make the general interest subordinate to a particular interest. May I ask the minister this question, it will illustrate

I think what we on this side who are opposing this feature of the measure have in mind. What is the basis of all representation in this parliament? It is the basis of representation by population. The representation in this House of Commons is based upon population, the entire population in given communities. It is in virtue of that fact that we are given the right to legislate for the people as a whole. But the basis of representation with regard to what is proposed by way of regulation, in other words legislation, in this bill, is not representation by population, it is representation by occupation. That fact brings out the difference. Only those who belong to a particular occupation, in one instance one class of producers, and in another instance another class of producers, are the ones who are to draw up the so-called scheme that is to govern or control. They are the ones to determine what the scheme is to be. The scheme sets forth the regulations, and these regulations, if approved, not by parliament, but by the board or minister or governor in council, bind the whole community; also the governor in council may formulate a scheme of his own. That is where I take exception to this legislation. It does not take account of the community as a whole, nor of parliament. It takes account exclusively of the interest of one class in the community and makes that class interest superior to the interest of the community as a whole, without parliament having an opportunity either to approve or disapprove.

Another doctrine that is essential if regard is to be had to our political institutions is that of ministerial responsibility. Our whole system of government is based upon the doctrine of ministerial responsibility. But here is legislation that proposes to divorce the government all but completely from responsibility. Under its provisions, the government says, we will not make the regulations, we are not the body that is going to determine what is to be the law of this country, either in virtue of authority to make regulations under a general statute, or by enactment on our recommendation by the House of Commons itself. We are going to leave it to different special interests to make different sets of laws to suit their own special purposes. That is a vastly different thing in the way of procedure in matters of legislation from anything we have had in the House of Commons before. Reference has been made by the government to other bills that have been introduced. For example, I think the minister himself cited the honey bill passed at this session. It is entitled an act respecting fruit and honey. He said, this House of Commons passed that act, why should it not pass this? There is a great difference between the two measures. I have in my hand the act respecting fruit and honey, and what do I find? The regulations are all made by the minister who is a minister of the crown and whose responsibility is shared by all of his colleagues in the government, and the offences are all specifically set out in the act itself. One has only to look at the act in order to discover what the offences are. But with regard to offences to be created under this act, we do not know what they are. When this parliament prorogues we shall not know, no one will know what a week or a month hence may be an offence under the act. No one will know until one of these class groups, these occupational groups has been formed and drafted what, to serve its particular purpose, is to be in the nature of an offence. That is one great difference between any measure this parliament has previously enacted and the provisions of the measure which we are now being asked to enact.

Mr. WEIR (Melfort): May I ask the hon. gentleman a question? Does he know the regulations that are going to be passed under the Fruit and Honey Act and the offences created thereunder?

THE ROYAL ASSENT

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

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

Accordingly, the house went up to the Senate,

And having returned,

Mr. SPEAKER informed the house that the deputy of His Excellency the Governor General had been pleased to give in His Majesty's name the royal assent to the following bills:

An Act to amend the Live Stock and Live Stock Products Act.

An Act to incorporate The Bishop of the Arctic of the Church of England in Canada.

An Act to amend the Income War Tax Act (Special Tax).

An Act to provide for the deduction from compensation in the Public Service.

An Act to amend the Oaths of Allegiance Act.

An Act respecting The Wawanesa Mutual Insurance Company.

An Act respecting Fruit and Honey.

An Act for the relief of Archibald Bruce Elliott Smart.
An Act for the relief of Lilac Violet Grumbell Reid.
An Act for the relief of Lily Archer Watson.
An Act for the relief of Annie Isabel Tinning Meldrum.
An Act for the relief of Lois Theresa Malcolm.
An Act for the relief of Helen Isabelle Smith Maybee.
An Act for the relief of Sybil Eileen Dyson Richardson.
An Act for the relief of Lucy Doris Cannon.
An Act for the relief of Bertha Alice Maude Maher Burke.
An Act for the relief of William James Thistle.
An Act to incorporate Thousand Islands Bridge Company.
An Act to amend the Bills of Exchange Act.
An Act for granting to His Majesty certain sums of money for the public service of the financial year ending the 31st March, 1935.

MARKETING ACT

ORGANIZATION TO IMPROVE METHODS AND PRACTICES IN MARKETING NATURAL PRODUCTS

The house resumed consideration in committee of Bill No. 51, to improve the methods and practices of marketing natural products in Canada and in export trade, and to make further provisions in connection therewith—Mr. Weir (Melfort)—Mr. Gobeil in the chair.

On section 1—Short title.

Mr. MACKENZIE KING: Mr. Chairman, the minister asked me a question at the time of adjournment; I think it was as to whether I could say, with respect to the act concerning fruit and honey, what regulations would be made under the measure and what offences were created thereunder. I have a copy of the bill under my hand, and I find that under the heading "Regulations" section 3 states:

The minister may, from time to time, make regulations—

Then follow paragraphs (a) (b) (c) and so on down to (1), each paragraph setting forth particular matters in connection with which the minister may make regulations, and setting them forth in a manner which makes clear to all hon. members and to the country what it is that is going to be regulated, how it is to be regulated and the extent to which it may be regulated. In some of these regulations there are specific limitations; for example in paragraph (a) I see:

—no such provision shall permit more than ten per cent of any lot of fruit to be under grade requirements;

That is informing parliament, which represents all classes in the community and the community itself as to the extent to which regulation may go, and the form and manner in which regulations are to be framed and carried out. But there is nothing of that kind in the proposed legislation now before us. This bill provides that some group of producers at present unknown, may prepare a scheme also of a nature at present unknown. It provides that such scheme may set forth what they propose, and wish to do or to have done, also what they propose or wish shall not be done. If that scheme is approved, then it binds the entire community and those who do not accept the regulations as set forth and which have been designated as such by the producers themselves become guilty of offences and are liable to fine and imprisonment. That is a very different thing from anything we have hitherto had.

Then I turn to the bill respecting fruit and honey in order to answer the minister's question as to whether I know what are offences under that act. I find that the bill goes farther than any other bill so far introduced in this house has gone. But on turning to the clause dealing with offences, I find its provisions in this particular are very specific. It states that no person shall do so and so and so and so, and then it sets forth in sixteen clauses the nature of offences. The offences are all specified, and this House of Commons is in a position to know, and the public is in a position to know, what is to be termed an offence. But under the legislation which we are asked to accept this house is to fix a penalty to be attached to some offence which has yet to be defined.

Mr. WEIR (Melfort): May I ask a question?

Mr. MACKENZIE KING: Yes.

Mr. WEIR (Melfort): In this bill are not the regulations also controlled in the same general way, because they will have to be made in conformity with the bill?

Mr. MACKENZIE KING: No, they are not controlled in the same way, and that, as a matter of fact, constitutes one of my main objections to it. I would not take exception to what the government is seeking to do with respect to the regulating of marketing, as indicated in this measure, were they to proceed along the lines followed in the fruit and honey bill, and similar legislation, and hold to the obligation of ministerial responsibility whereby the minister himself or the cabinet would make regulations in

conformity with certain general principles or rules, which regulations would have been the subject of discussion and approval by this House of Commons and be known and applicable from the Atlantic to the Pacific, regulations which would apply alike in all parts of Canada. The effect of the proposed legislation is to bring about a condition whereby in one part of the country a given set of circumstances may create an offence, while, in another part an identical set of circumstances will not necessarily create an offence at all. Regulations under this legislation may originate in many different parts of the country, and be wholly unrelated one to the other. I am of the opinion that the law of the land ought to be generally known, and no man should be put into jeopardy with respect either to his person or his property except under the law of the land. Under the legislation now before us who can say what the law of the land is, or is to be?

Mr. WEIR (Melfort): The house does not know now. The regulations under the fruit and honey bill never come before the house.

Mr. MACKENZIE KING: Yes they do. The house has distinctly set out the nature of the regulations, and certain limitations within which alone the minister may make regulations, the minister being a member of the cabinet, and the cabinet being responsible to the house. I admit that to a certain extent parliament delegates its responsibilities but it is delegating them within certain clearly defined limits, and only to a minister responsible to the house.

Mr. WEIR (Melfort): This bill is the same in that respect.

Mr. MACKENZIE KING: No, this bill goes much farther than that. It goes beyond the House of Commons and beyond the minister to any local groups of producers who may draw up a scheme.

Mr. WEIR (Melfort): I would draw the attention of my right hon. friend—although I do not like to interrupt him—to section 13 of the bill which states:

> The governor in council may make such regulations as may be necessary for the efficient enforcement and operation of this act and for carrying out the provisions thereof according to their true intent and meaning.

Mr. MACKENZIE KING: Quite true, the governor in council may do that. But I would draw the minister's attention to section 5: which in addition to what the governor in council may do says:

> (1) A representative number of persons engaged in the production and marketing or the production or marketing of a natural product may petition the governor in council to approve a scheme for the regulation of the marketing of such natural product by a local board under the supervision of the board.
>
> (2) The petition shall be filed with the minister and if he considers that the persons engaged in the production or marketing of the natural product are sufficiently represented by the petitioners, the scheme shall be referred to the board with a request for a report on the expediency thereof.
>
> (3) Upon receipt of a report from the board recommending the approval of the scheme as submitted or as amended by the board, the minister may recommend the approval thereof, and the governor in council may thereupon approve the said scheme and fix the date when the same shall be effective.

Then it goes on to further details.

Mr. WEIR (Melfort): The scheme will operate within the regulations set out by the governor in council.

Mr. MACKENZIE KING: Yes, but there is no knowledge in advance, so far as the members of any community are concerned, as to the basis on which regulations are to be made, it is all left in indefinite terms to a scheme which is still to be drafted.

Mr. WEIR (Melfort): I was answering the right hon. gentleman on the point, namely, that in one instance it was subject to a responsible minister of the cabinet, and in the other it was not. In that connection I maintain they are both alike.

Mr. MACKENZIE KING: I submit there is a great difference between parliament outlining the various conditions under which regulations may be made, setting forth specifically the offences to which penalties are to be attached, and presenting them to the public so that the conditions are known from one end of the country to the other, requiring that regulations made shall apply generally to the entire country, and that after a regulation is made it shall be published in the Canada Gazette and be submitted subsequently to parliament for further consideration if desired,—I say there is a great difference between that procedure and this proposal to legislate on a basis of schemes which, instead of leaving either the initiative or the final say with parliament, leave it in the hands of particular occupational groups to draft legislation which when approved will affect

and bind the entire community. May I point out, further, that in the initiating of legislation the measure as drafted takes account only of one particular class in the community.

The hon. member for Winnipeg North Centre used an expression of which I took a note at the time, because I thought it was significant. He said, "The fruit growers represent a majority of the citizens, and they feel that they cannot carry on." If the fruit growers were in any province a majority of the citizens, the hon. member would be more nearly right, but the fact is this, that the majority of the citizens, under the proposed legislation, have not necessarily any say whatever as to what the regulations are to be which the fruit growers are to make. The fruit growers may be far from being a majority of the citizens. They may be a very small minority, but the majority of the citizens are to be bound by the regulations that are drafted by this minority and subsequently approved by the minister. That is not the rule of the people as the hon. member expressed it.

Mr. WOODSWORTH: I meant by the majority of the citizens in a community. May I ask, have we not for many years in this parliament passed legislation such as the Bank Act giving very considerable powers to the bankers' association? And surely the bankers are only one section of the community. We have also given the board of railway commissioners very wide discretionary powers.

Mr. MACKENZIE KING: Any law passed by this parliament that is uniform and national in its scope, specifically setting out the limitations within which particular powers are to be exercised, is something that can be defended. But this is different. It is not a national law that is being proposed under this enactment; it is not a law that is representative of the community as a whole. It is a law that is initiated and brought into being by and for those belonging to one particular occupation, one particular class of the community, and this parliament is being asked to approve in advance, and in ignorance of which its terms may be, of that law becoming binding on the community as a whole.

Mr. NEILL: Or approved by the minister alone.

Mr. MACKENZIE KING: Or by the minister alone, yes. It seems to me that you have two tendencies at work in this legislation, each of which is contrary to that underlying our system of government. You have, on the one hand, the tendency which is illustrated by Russia where the soviets make their laws, not on the basis of what is in the interests of the people as a whole, but in the interests of particular occupational groups. The occupational groups determine what is to be the law with respect to matters affecting themselves, and others are made subject to the provisions of these particular laws.

The other tendency is the tendency we see in certain countries in Europe to-day, in Italy, Austria and Germany, where you have fascism; in other words, a leader taking it into his power to make whatever law he pleases and by virtue of his authority the law made binding on the rest of the community without the approval of any representative body which speaks for the community as a whole. That is the exception I take to this legislation as it has been prepared. It is not to many provisions of the bill, not to provisions that might be drafted for the purpose of regulating marketing in a way that would assist the interests of the farmers.

Hon. gentlemen say that times are changed, that the old order is yielding place to new, and that we must change conditions. That is all perfectly true, but what we have to decide is this: What is it that we want to change? Do we want to change what is basic and fundamental in our political institutions, or do we want to change economic conditions? That is the important question to ask. Do we want to change the political system of government under which British communities are accustomed to make their laws, and substitute for it something that resembles what they have in Russia, or Austria or Italy or Germany? Or do we wish to hold to British parliamentary institutions, and whatever laws we find it necessary to make, make them at least in accordance with the practice and procedure of those institutions?

Let me illustrate concretely with respect to one clause of this proposed enactment. Under British parliamentary institutions we have always held that the House of Commons had responsibility for the control of expenditures, that the House of Commons ought to control the public purse. The method of control that has been adopted has been that of obliging parliament to appropriate moneys for particular purposes. We have had that necessity discussed over and over again in this house, the necessity of parliament controlling expenditures. We on this side have taken exception to the government's course with respect to relief measures where, on the score that there was a period of distress, the government asked for a free hand. But that was claimed by the government to be in the nature of an exception required by an existing emergency.

Here we have exactly the same thing proposed again, that the governor in council shall have the right to take out of the consolidated revenue fund of Canada the moneys that are necessary for the purposes of this act.

Mr. WEIR (Melfort): Might I ask a question? In the case of the Montreal harbour bridge was that $19,000,000, or whatever the ultimate cost was, voted by the sanction of parliament?

Mr. MACKENZIE KING: I will answer my hon. friend by saying that his side of the house have ever since been condemning what happened at Montreal. That is one of the reasons I would give him why an example of that kind, if it exists, should not be followed. The fact that one thing is wrong and obviously wrong, surely does not justify the government that is condemning that very thing from going ahead with the very same kind of procedure.

Mr. WEIR (Melfort): I was just asking for information. I was endeavouring to follow the right hon. gentleman.

Mr. MACKENZIE KING: No, the minister was not asking for information. He knew exactly what was in his mind in regard to that.

Mr. WEIR (Melfort): No. May I make myself clear? I was endeavouring to follow very closely the statement being made by the right hon. gentleman, and I thought I had not understood him in what he said because the Montreal harbour bridge seemed to be an exception. I wanted to have the point cleared, but it is clear now.

Mr. MACKENZIE KING: The point that I am seeking to make is clear, namely that there is no necessity from the point of view of serving the farmers of this country, why any legislation should be introduced into this House of Commons which involves taking away from parliament control over the expenditure which is necessary for putting that legislation into force; and when that step is taken it simply means that instead of trying to do something that is going to improve economic conditions we are taking a step which is threatening the very foundations of our parliamentary system; and to the extent to which that step is taken, we are undermining the security of farmers and everyone else.

I confess, Mr. Chairman, that I have no desire to discuss this matter any further. I think the points to which we take exception have been made sufficiently clear; I do think, however that it is important that members should understand whither we are tending in legislation of this kind. Is it necessary, I ask again, to go the length of seeking to remove from the control of parliament altogether control over the expenditure of public moneys and to do away with our system of responsible government in order to meet certain economic conditions in the country at this time?

Mr. WOODSWORTH: Have we control over those economic conditions as it is now?

Mr. MACKENZIE KING: If we cannot control them without torpedoing our parliamentary institutions it seems to me that is pretty good evidence that things have got beyond everybody's ken and capacity to deal with. My point is this, that we can deal with these questions effectively in this parliament by following British parliamentry procedure, and not departing from it, and the moment there has to be a departure from that procedure there is an onus on whoever wishes so to depart to justify bringing about a political revolution in this country, because that is what it all amounts to. I do not take exception to my hon. friend's attitude. He wants a political revolution, and he avowedly says so.

Mr. WOODSWORTH: No, I do not say it. I have never said that.

Mr. MACKENZIE KING: Why not?

Mr. WOODSWORTH: It is not necessary to explain why not, but I have not said it.

Mr. McINTOSH: Destruction rather than evolution, that is your principle.

Mr. WOODSWORTH: Never. I say I want to bring democracy into industry. I want to bring about a new social order that might ultimately involve very decided changes in our political institutions, but I have gone into that only incidentally. I have always talked of working through our existing institutions.

Mr. MACKENZIE KING: When I say political revolution I use the term in the broad sense that my hon. friend understands, not a revolution by violence, but a change in the basis on which we are now proceeding in our organized society.

Mr. WOODSWORTH: No, no.

Mr. MACKENZIE KING: May I ask does my hon. friend wish a socialist state or does he wish to continue under a system of private enterprise? Is he not advocating every day a socialist state, which is a different state from the one we have at the present time?

Mr. WOODSWORTH: I am advocating a socialist state, and in the socialist state the interests of the community would be paramount. I believe that in the present state the interests of a small group are paramount.

Mr. MACKENZIE KING: I shall not continue to argue with my hon. friend over words, but I think he will be the first to admit that the system which he has been advocating of what he terms socialized industry is entirely different from that which is existing in the country at the present time.

Mr. WOODSWORTH: That has nothing to do with the political system.

Mr. MACKENZIE KING: The change cannot be brought about except by a change in the political system. That is the point I am making; in order to effect what my hon. friend has in mind, he will have to change it very much.

Mr. WOODSWORTH: That is my hon. friend's opinion; it is not mine.

Mr. WEIR (Melfort): Is it not possible at the present time to withdraw money from the consolidated revenue fund by governor general's warrant?

Mr. MACKENZIE KING: All these things which the minister brings up are well known exceptions to the general practice and occasioned only to meet situations which are not supposed to be ordinary, and which cannot possibly be foreseen. A governor general's warrant is to meet a critical situation which may arise and which parliament could not have anticipated, a situation which may come up when parliament is not in session and which the ministry feels, because of the exceptional circumstances, can be justified before the House of Commons when parliament reassembles. According to my hon. friend's remarks, he is trying to do everything by governor general's warrants instead of by appropriations by this parliament. I do not think he could have given a better instance to illustrate what I have in mind. This legislation contemplates proceeding with respect to matters of normal business with the equivalent of governor general's warrants, rather than with appropriations of this parliament, and doing that, not because of provisions of enactments of this parliament but at the instance of groups, the numbers, and places of existence of which, are unknown at the present time. It is these violations of fundamental principles to which we take exception, and not to any desire of the ministry to get a marketing measure through. Everyone on this side is most anxious to have a marketing measure which will be of assistance to the farmers.

An hon. MEMBER: That is news to us.

Mr. MACKENZIE KING: No, it is not news. I am sure the farmers do not want anything in the way of legislation which will mean the undermining of the power and control of parliament over the expenditures and taxation of the country. The farmers know only too well that any legislation put through, nominally in their interests, but which carries with it any such power will soon be exerted very much against them as a class in the community. That is the main objection which we have to the measure. We do not object to the purpose of the measure; we object to certain of these clauses which cannot be defended if one is to maintain our present parliamentary system.

Mr. WEIR (Melfort): I am afraid I do not understand the right hon. gentleman. No one is forcing the producers to accept this legislation. If the statement of the right hon. gentleman is correct and the farmers feel that this legislation is not in their interests, they cannot be forced to accept it. There is no insidious motive behind this legislation to help anyone but the producer.

Mr. MACKENZIE KING: Certain groups of persons have made requests to the government for marketing legislation, but I think if those individuals were asked if they were getting the legislation they have asked for, they would say they are not. This is a different bill altogether from what was asked for. A group in a certain community may ask for legislation but it does not follow that when that legislation is passed it is going to suit the country as a whole or all the groups of producers throughout the country. The minister has said that no one will be forced to come in, but he himself gave the best answer to this in his reply the other day. He said that should regulations become law and there were producers who were not members of the organization, they could be forced to come in. He used the word "forced" and it appears on Hansard. Is that not so?

Mr. WEIR (Melfort): If a certain number of producers producing a certain quantity asked to be brought into a compulsory pool, the provincial government would have jurisdiction to that extent.

Mr. MACKENZIE KING: I think the minister admitted I was right when he answered my question by saying that the minority would be forced in.

Mr. WEIR (Melfort): Could be forced in if the provincial government so decided.

Mr. MACKENZIE KING: If the scheme were approved.

Mr. WEIR (Melfort): That can be done at the present time even without this bill.

Mr. MACKENZIE KING: In order to illustrate what I have in mind, I should like to direct attention to one of the amendments being proposed by the ministry. Very strong exception was taken on this side to part II of the bill which left it to a particular group appointed not only to investigate conditions but to determine what was to be an offence. I am glad to notice the government has taken account of the force of the exception taken to these clauses and is proposing to make a material change which, if I understand it aright, will meet what there was in the nature of opposition to that part of the measure. The government is proposing to do away with the word "determine" and substitute the word "report." That means that when an investigation is held a report will be made by the investigators to the minister and to the government. The report will be public, and undoubtedly will be serviceable in helping to make more effective the law with regard to preventing the undue enhancement of prices or the restraint of trade which is unreasonable and unfair. It is changes like these which help to bring this legislation more into line with what we have been contending all along should be the course to be followed. The individual is afforded knowledge of the law in advance and in the matter of prosecutions is surrounded with the protection accorded by the courts to innocent parties.

If a similar change could be made with respect to part I of this legislation, whereby these local organizations might make reports to the ministry of conditions as they exist and the ministry take the responsibility of enacting legislation or passing orders in council which would be generally known and made generally applicable from coast to coast, then so far as I am concerned I would cease to have any opposition to the measure as a measure of an experimental character. But where it is left to an unkown local board to say what is to constitute an offence, while we who are members of parliament are asked to fix in advance the penalty to be attached to unknown offences, then I say we are abandoning altogether the basis upon which all legislation should rest.

What are some of the conditions which should govern in conferring power to legislate? First of all, we have the Representation Act which provides that members to have the right to legislate shall obtain that right provided only that they represent all classes in a particular constituency. There is no such safeguard here with regard to those who are to make regulations. They may be individuals; they may be a small group in a given locality, they may be a fairly comprehensive group, but all that the Representation Act stands for, in the way of representing the community as a whole, is being swept to one side. Then we have the Elections Act which provides for a secret ballot and contains provisions which must be enforced and observed before anyone can be permitted to make the laws of the land. There is nothing here in the nature of a secret ballot. It is provided that a certain group, which may be a powerful group, shall determine what is to be done. The safeguards which the Elections Act throws around the selection of those who are to make the laws are being cast to one side. Finally we have the Franchise Act—the ministry is introducing a new one this session—which provides what individuals are entitled to have their names on the voters' lists. They are to be the ones who are to determine who shall make the laws. There is no such provision here. The laws to be enacted under this measure are to be enacted by a particular group belonging to one special occupation which comes along and draws up a scheme and asks the ministry to approve. If that scheme is approved the whole thing becomes binding, on all in a particular community, but not equally in all parts of the country. As has been said over and over again, the individuals which thus meet to frame the law are only a group representing one class in a given community. While the legislation which they pass may be for their own special interest, it is for their interest as a class, but not with regard to the interest of the community as a whole. I say that no board should be permitted to deal with matters of this kind that has not on it representation of all the classes in the community, particularly the consumers, with respect to anything in which producers are interested; because it is useless to say that you can legislate in the interests of one class without affecting those of other classes as well. We all know the interests of all classes are intertwined and interwoven in a variety of ways.

Mr. WEIR (Melfort): Just one word in order that we may keep the record straight. Under this bill the local board has not authority of itself to set up regulations apart from approval given and the authority of the governor in council.

Public Archives of Canada

Mr. MACKENZIE KING: Yes, but they prepare the scheme.

Mr. WEIR (Melfort): Subject to the approval of the governor in council.

Mr. MACKENZIE KING: Yes, various schemes for various commodities and various localities.

Mr. BOUCHARD: I have in my hand a communication that was sent by the Canadian Press to the Montreal Gazette of May 14, 1934, headed: Dairy industry has big interest in marketing act.

And so forth. I quote just one paragraph:

The plan under the marketing act would be to make provision, when a butter surplus did develop, to ship this surplus to an outside market, and any loss entailed as compared with local prices would be met out of the funds of the local marketing board. Alongside this would be provided greater facilities for the storing and ageing of Canadian cheese with the idea of making it as profitable to produce cheese as butter.

May I ask the minister whether it is within the scope of this bill that if any loss is incurred by an exporter, moneys will be raised from the producers of butter or cheese throughout the whole dominion to compensate for this loss, or whether this money is to be withdrawn from the consolidated revenue fund.

Mr. WEIR (Melfort): The press statement read is not of course an official one. In answer to the hon. member for Kamouraska, the matter depends entirely on whether the butter, for example, is lifted off the market on the determination of a local board or under section 9. That is, if the butter industry were organized under this bill and they requested in their scheme—and that request was accepted—that if it were felt necessary, due to the condition of the market or the supply in the case of a small surplus, to lift that surplus off the market, those forming the association be permitted to tax themselves to absorb the loss, in that case the payment would be made only on the order of the board itself; that is, any exporter who exported butter and suffered a loss would not be paid. It would also be possible in this way: if under the dominion board or if under section 9 it was decided that action should be taken to lift a small surplus off the market, it would be possible to do that, but in that case, the money would be taken not from the dairy industry but from the consolidated revenue fund.

Mr. BOUCHARD: So it would be a dumping of our butter on the export market.

Mr. CASGRAIN: No answer.

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Mr. WEIR (Melfort): No answer is necessary. I did not say that it would be done. I said that it would be possible to do it.

Mr. BOUCHARD: That would be something similar to the Patterson scheme in Australia.

Mr. WEIR (Melfort): If adopted, yes.

Progress reported.

On motion of Mr. Guthrie the house adjourned at 5.57 p.m.

Thursday, May 17, 1934

The house met at three o'clock.

BANKING AND COMMERCE

Fifth report of the select standing committee on banking and commerce—Mr. Hanson (York-Sunbury).

PUBLIC ARCHIVES OF CANADA

On the order of motions:

Hon. C. H. CAHAN (Secretary of State): On the 14th instant the hon. member for Megantic (Mr. Roberge) inquired whether certain paintings had been purchased by the National Gallery of Canada, and the answer given by my colleague, the Minister of Public Works (Mr. Stewart), was in the negative.

This inquiry having been brought to my notice, I wish to inform the house that privy council order 1540, dated July 6, 1932, authorized the purchase by the public archives of Canada of two historical portraits of very special interest; the portrait of Lord Durham, painted by Thomas Lawrence, and the portrait of General James Wolfe, painted by Highmore.

I desire, for the information of the house, to lay on the table a copy of the order in council authorizing this purchase and a memorandum by Doctor Doughty, the dominion archivist, with respect to the same.

CRIMINAL CODE AMENDMENT

Mr. P. F. CASGRAIN (Charlevoix-Saguenay) moved for leave to introduce Bill No. 83, to amend the criminal code (lotteries).

Some hon. MEMBERS: Explain.

Mr. CASGRAIN: Mr. Speaker, this bill has for its object the amendment of section 236 of the criminal code by adding a paragraph to the list of exemptions declaring that it is not a criminal offence under the statute to conduct lotteries when they are organized by the

government of a province of Canada for educational or public charitable purposes, under the laws of the legislature of such province.

Motion agreed to and bill read the first time.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

*BONAVENTURE COUNTY—RESOLUTION

Mr. MARCIL:

1. Has the Prime Minister or any member of the administration received a resolution adopted by the county council of the county of Bonaventure asking that representatives of the dominion government and provincial government of Quebec arrange for a conference with the public representatives of the county during the coming summer, to discuss matters of vital interest to all for the improvement of general conditions of the Gaspe peninsula, such as fishing, lumbering, agriculture, cheaper transportation, better market facilities for our natural products, technical schools, back to the land movement and industry generally?
2. If so, what answer has been given to this resolution?

Mr. BENNETT: I observe that the hon. member for Bonaventure is not in his place, Mr. Speaker, but I may say that these resolutions were received, as were stated by the Minister of Railways (Mr. Manion) a few days go. Their receipt was acknowledged, but obviously no statement can be made with respect to a projected conference that would involve the consent of the provincial authorities first being obtained, and this is not an appropriate time to endeavour to arrange any such conference, as perhaps the hon. gentleman will understand.

LA MALBAIE, QUE.—CARRRIAGE OF MAIL

Mr. CASGRAIN:

1. Has the contract for carrying the mail from La Malbaie to Grand Fonds, in the county of Charlevoix, expired?
2. Have tenders been called for with respect to the renewal of such contract?
3. If not, why?
4. Has the contract been awarded to any person?
5. If so, what is the name of the new contractor?
6. What are the terms and stipulations of such contract?
7. By whom was the new contractor recommended?

Mr. SAUVE:

1. Contract expires on 30th June, 1934.
2. No.
3. Not necessary to invite tenders where the expenditure involved does not exceed $200 per annum.

[Mr. Casgrain.]

4. Yes.
5. Johnny Harvey, Jr.
6. Department has authorized a new four years' contract at $200 per annum.
7. Hector Warren.

LES EBOULEMENTS, QUE., DISMISSAL OF LIGHTHOUSE KEEPER

Mr. CASGRAIN:

1. Is the Department of Marine aware that Mr. Charles Tremblay (Georges), lighthouse keeper at the wharf of Les Eboulements, in the county of Charlevoix, has been dismissed by telegram?
2. Were any complaints lodged against Mr. Charles Tremblay (Georges)?
3. If so, what was the nature of such complaints?
4. Who lodged such complaints?
5. Who recommended Mr. Hector Tremblay to replace Mr. Charles Tremblay (Georges)?

Mr. DURANLEAU: This question was answered yesterday.

CASE OF FRANK GRIGWARE

On the orders of the day:

Right Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, some time ago a question was asked in this house with regard to the proceedings taken by the government of the United States to extradite Frank Grigware, otherwise known as Frank Lawrence Fahey, who was residing in Jasper, Alberta. The community in which he lived, the board of trade and many private individuals made representations to the government as to his excellent citizenship and the long time that he had lived in that locality with credit and distinction to himself and to the community. These representations were conveyed to the offices of the Prime Minister and forwarded to the minister at Washington, who in turn transmitted them to the Secretary of State of the United States. I am just advised by the legation at Washington that the attorney general of the United States has discontinued extradition proceedings against Grigware. As to what further action may be taken to meet the request that he should receive a free pardon, in the light of the evidence that has been made available, has not been settled, but I desire to make this public statement expressing the appreciation of the Canadian government, and I am sure of this house and the Canadian people, for the generous attitude that has been taken in connection with the proceedings against Mr. Grigware.

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): All parties in the house will appreciate what my right hon. friend has just said.

TORONTO CENTENNIAL

VISIT OF FLIGHT OF ROYAL AIR FORCE

On the orders of the day:

Right Hon. R. B. BENNETT (Prime Minister): I desire to bring to the attention of the house a matter that was discussed shortly on March 16, 1934. The Minister of National Defence (Mr. Sutherland) intimated that the city of Toronto had suggested that it would be appropriate to secure, if possible, the presence of a representative flight of the Royal Air Force at the celebrations which have been planned by the city of Toronto to mark the one hundredth anniversary of its incorporation. The invitation was extended by the mayor of Toronto and transmitted, through our high commissioner in London, to His Majesty's government in the United Kingdom, inviting a detachment of the Royal Air Force to attend the celebrations on July 2, 3 and 4 next.

I have pleasure in informing the house that the Royal Air Force have accepted the invitation and are sending a flight of "Fury" aircraft from No. 1 squadron, consisting of five aircraft, four officers and twelve airmen, arriving about June 20. The Department of National Defence has made arrangements to cooperate in every way possible with a view to ensuring the success of the visit.

REORGANIZATION OF MILITIA

On the orders of the day:

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): This question does not arise directly out of the remarks of my right hon. friend, but it may be remotely related thereto. An item appearing in the Montreal Star of May 15 stated that changes are being planned in Canada's system, that there is to be a complete reorganization, that the changes contemplated are to be based on the most modern British model, to fit into a large scheme of imperial defence, and that Canadian control everywhere will be the keynote. May I ask the Minister of National Defence if anything of the kind is taking place at the present time, or is contemplated?

Hon. D. M. SUTHERLAND (Minister of National Defence): Mr. Speaker, that announcement might be called premature. Officers of the department are constantly seeking some way to benefit the organization, and to put it on what they consider a better basis, if possible. They are working along those lines, but nothing will be done immediately. They are constantly trying to better conditions, and this is along that general line.

SUGAR TAX

On the orders of the day:

Hon. FERNAND RINFRET (St. James): Mr. Speaker, may I direct the attention of the Prime Minister (Mr. Bennett), who is the acting Minister of Finance, to an article which appeared in this morning's Montreal Gazette concerning the sugar tax. It reads as follows:

> Information reaching the Montreal board of trade yesterday from sources closely linked to the wholesale grocery trade was to the effect that in the coming fall the excise tax on sugar will be cut altogether by the federal government.

May I ask the Prime Minister if there is anything behind that statement?

Right Hon. R. B. BENNETT (Prime Minister): The article to which the hon. member has referred affords me an opportunity to make some observations which I think every hon. member will agree should be made. The press of the country carries on an agitation based upon some suggestion made by someone interested in a given course of events. The result is that petitions are circulated, in many instances, which are signed and presented to governments, and then it is said that something is to be done at a given time—that the excise tax on cigarettes is to be removed, that the sugar tax is to be lessened. All this is circulated throughout the country to the detriment of the government of the country and to the administration not of this government but the administration of the affairs and business of the country.

I can only say that that story is as devoid of any foundation in fact as any story I know of could be. Yet the effect of it will be that the next thing we will hear will be that "As the tax is to come back on a given day we trust you will make provision for those who have stores on hand;" and it will continue to go on in that way for weeks. In some countries this practice has become so intolerable that they have passed legislation making it an offence to circulate false news of that kind, for reasons which I think commend themselves to every hon. member in this house. The result has been that there has been a curtailment of the circulation of this type of news. It is not news; it is rumour. And it makes no difference how many times you contradict it, you can never overtake it. There will be people in remote parts of the country who will hear about or read these articles, and they will believe that something is contemplated. Then, if some

action is taken in six months or, say, next year in the budget, it will be alleged that someone had advance information in respect to it.

I can only protest, not in the name of a government, or this government, but in the name of all governments in Canada, whose task is always great, against the circulation of rumours in the public press—and especially in view of the fact that the carriage of papers through the mails of this country represents a loss to the taxpayers of Canada of, it is estimated, not less than $6,000,000 per year.

Under the circumstances I think I am not going too far when I suggest that at least those who administer the affairs of the country, whether they be a Liberal government, a Conservative government, or any other form of government, are entitled to that consideration from the public press with respect to the conduct of public business which will not allow rumours, such as that to which the hon. member has just referred, to be circulated throughout the country in reputable journals, and believed to be true.

PORT OF NATASHQUAN

On the orders of the day:

Mr. PIERRE F. CASGRAIN (Charlevoix-Saguenay) (Translation): Mr. Speaker, I wish to inquire of the hon. Minister of Marine (Mr. Duranleau) whether he could dispatch an ice-breaker to Natashquan so as to clear the port of ice. I received, this morning, a telegram from the mayor, Mr. Ernest Vigneault informing me that the port is blocked with ice, that vessels cannot enter and that the citizens of Natashquan and surroundings are short of food and provisions are very low. According to this telegram, which I shall dispense from reading in full, it is a most urgent case, and a vessel must reach the port within a few days.

Hon. ALFRED DURANLEAU (Minister of Marine) (Translation): I shall immediately make inquiries, and if it be possible, an ice-breaker will be dispatched to that port without delay.

JACQUES CARTIER CELEBRATION

On the orders of the day:

Sir EUGENE FISET (Rimouski): Mr. Speaker, I wonder if the Minister of National Defence would be kind enough to inform me if his department has received from the officer commanding and the officers of the 189th regiment of Rimouski, which for the greater part was recruited in the Gaspe peninsula, a request to be mobilized during the Gaspe celebration.

[Right Hon. Mr. Bennett.]

Hon. D. M. SUTHERLAND (Minister of National Defence): Mr. Speaker, the department has been approached regarding that matter, and the officer commanding in the Quebec district is acting on the committee to arrange these affairs. No definite arrangement has yet been made along those lines.

COAL INVESTIGATION

On the orders of the day:

Mr. J. S. WOODSWORTH (Winnipeg North Centre): Mr. Speaker, in the current number of a certain weekly paper there have been published what purport to be extracts from the McGregor report in connection with the alleged coal combine. I understand that a certain number of copies of that report were printed in the province of Quebec, but they are not generally available to the public. In view of this publication I would ask whether the government would not deem it advisable to have the report of the coal inquiry placed upon the table?

Right Hon. R. B. BENNETT (Prime Minister): The hon. member sent me a notice that he would ask this question to-day. The extract to which he referred was taken from a journal which I do not think the hon. member named; therefore I do not deem it necessary to do so. But it is another case in which an endeavour is being made to create a false impression with respect to a matter which is in the courts of the country. The Minister of Labour (Mr. Gordon) transmitted the report of Mr. McGregor to the attorney general at Quebec. The attorney general took proper proceedings; a trial was had, a conviction made, an appeal has been taken and the matter is now under advisement by the court of appeal of the province of Quebec. No public purpose could be served by doing here what the statute does not contemplate should be done, when proceedings have been taken by the attorney general on the report made by Mr. McGregor to the minister, and the government has no intention of so doing.

RAILWAYS AND SHIPPING

On the orders of the day:

Mr. R. W. GRAY (West Lambton): Mr. Speaker, is the Minister of Railways and Canals in a position to tell the house when the special committee on railways and steamship lines will be called?

Hon. R. J. MANION (Minister of Railways and Canals): Mr. Speaker, I think it will be called early next week to organize, and then the committee itself will decide when further meetings shall take place.

FREIGHT RATES ON LUMBER

On the orders of the day:

Mr. C. G. POWER (Quebec South): Mr. Speaker, I should like to ask the Minister of Railways and Canals (Mr. Manion) if he will lay on the table of the house a copy of a ruling recently issued by the board of railway commissioners and, I think, coming into force to-day or to-morrow, whereby the freight rate on lumber from the Pacific coast into the Montreal market has been reduced by something between $5 and $10 a thousand to the shipper, seriously affecting the spruce lumber market of the province of Quebec and other eastern provinces?

Mr. MANION: I have never heard of the ruling until this minute.

Mr. POWER: I have not either.

Mr. MANION: I shall make inquiries at once and endeavour to get the ruling and lay it on the table as the hon. member requests.

MARKETING ACT

ORGANIZATION TO IMPROVE METHODS AND PRACTICES IN MARKETING NATURAL PRODUCTS

The house resumed from Wednesday, May 16, consideration in committee of Bill No. 51, to improve the methods and practices of marketing of natural products in Canada and in export trade, and to make further provisions in connection therewith—Mr. Weir (Melfort)—Mr. Morand in the chair.

On section 1—short title.

Mr. POULIOT: Mr. Chairman, may I ask the hon. Minister of Agriculture if he now has available the information that I have been seeking from him for some time? Yesterday he was kind enough to give me a ray of hope when he said that he hoped to have the information in the very near future. What I want is information with regard to the decrease in the home consumption of several farm products which have been mentioned several times in Hansard. I hope the minister will be kind enough to tell me, first, if we still have a local market for these commodities; secondly, the reason for the decrease in the home consumption of such products; and thirdly, the remedy, if any, which has been applied by the government to prevent that decrease which has been taking place since 1930.

Mr. WEIR (Melfort): I regret that the information asked for has not yet been completed. I am sure the hon. member will realize when the answer is brought down that there was perhaps more work entailed in getting the information than he had in mind when he asked for it, but I hope it will be in shape to be brought down at the beginning of next week, if not to-morrow.

Mr. POULIOT: I thank the hon. gentleman, and if I can be of any assistance to the officers of his department in cooperating with them I shall be very glad to do so.

Mr. NEILL: Mr. Chairman, I wish to comment—I was going to say on one of the proposed amendments, but it is rather an omitted amendment, if I might call it that. I congratulate the minister upon having had the amendments printed. I am sure that it will facilitate the passage of the bill. I assume, however, that the amendments printed are all that he proposes to introduce, and that no others will be permitted or encouraged.

I venture to point out one feature which I do not think has been touched on at all in this house up to date, and in which this bill is wholly lacking as compared with the British act, and that is in a provision as regards contracts. The minister is well aware that in big business arrangements we do not do business like selling peanuts over the counter. Arrangements have to be made months, and sometimes years, ahead. Contracts have to be entered into. It is quite a common thing especially in seasonal industries for the whole output to be contracted for before the season begins. In some cases the banks hesitate to finance the industry unless that arrangement is made. I would like to ask what effect the minister thinks this bill will have on industry as a whole if it is found that under it, it is almost impossible to contract ahead.

The hon. member for Shelburne-Yarmouth (Mr. Ralston) a day or two ago instanced the case of a business man doing business in Brazil and wanting to make a contract. There are other cases of the same kind. For instance, a man comes along and wants to buy the whole output of a pilchard plant on the west coast of Vancouver island. Is that producer to say to his prospective customer, "I am very sorry. I would like to sell, but I cannot do it. I can tell you next October whether I shall be allowed to do so or not." The minister may have some answer to that, and I shall be glad to hear it when he speaks.

I want to give an illustration of what the British government thought essential to take care of such conditions. I refer hon. gentlemen to page 262 of the Agricultural

Marketing Act of 1931, section 8, which covers two pages and a little more, and contains provisions to take care of conditions of that kind. I need not read it all. Suffice it to say that any contract entered into before the going into force of that act, or any contract entered into afterwards, provided it was not done with the deliberate intention of evading the act, is entirely taken care of. I refer the minister to the section I have quoted. In one instance it says that no person shall be liable to any penalty for contravention of any scheme in force under the act if he proves that the contravention was necessary for the performance of a contract and providing it was not done in evasion of the act. I do think that there should be some provision, and a very definite provision for that situation here because, I repeat, you cannot do business from hand to mouth. You must look ahead. Take the case of a contract for flour for shipment to the orient. Has the shipper to be put in the position where he can only say, "I do not know. I would like to do it but I have to get the consent of the board"—not of an unknown board, but of a board that we do not know the composition of, or how it will be composed, or its numbers, and we know very little about its ideas. Perhaps that vagueness is necessary on account of the dual jurisdiction, but nevertheless it makes it all the more necessary that some provision of the kind I suggest should be provided.

While I am on my feet I would like to allude to the remarks which the minister made yesterday with regard to the protection of the consumer. He said that there were three safeguards, first, that the scheme had to be approved by the minister and by the governor in council; but the minister and the governor in council are practically the same because what the minister recommends to his colleagues more or less automatically goes through except in very exceptional circumstances. So that brings it down—I do not wish to be unfair and say to the whim or caprice of the minister, but to the determination of a single minister, and that is not a sufficient safeguard to the consumer. It is not sufficient to have it left to one man whose judgment perhaps is based on insufficient information as to what is necessary to protect the consumer in that particular industry, or phase of industry, of which the minister may have absolutely no personal knowledge. If the minister has beliefs and opinions on that matter, why not put some provision in the bill for the protection of the consumer?

[Mr. Neill.]

The second safeguard which the minister claimed existed was that there was no price-fixing but a regulating of the rate at which the stuff goes on to the market. I think the two are synonymous. If not, what is the purpose of the bill? Is not the bill to help the producers get a better price? I think the hon. member for Ontario yesterday exploded that theory by showing that, if you do such and so, the price will regulate itself. If people are prevented from selling, the result must be to stimulate the price directly or indirectly.

The third safeguard to which the minister alluded was that there was part 2 of the bill which gives power to control undue charges. Well, I do not think that is a logical argument at all. That refers to spreads, not original prices. The minister no doubt was alluding to sections 18, 19, 20 and 21, which give power to investigate spreads between producer and consumer. By the way, the minister is taking the teeth out of that by his amendment when he is limiting the committee simply to giving a report of what is in their opinion an unjust spread. The committee has not now the power to determine that the spread is unjust. It is not even a definite report. It gives only their opinions. Therefore, I suppose it follows that the provisions of section 21, the penalty section, will not apply as that section derives its authority from sections 19 and 20. Although there may be some outlet by way of the Combines Investigation Act, so far as this bill is concerned its teeth have been largely drawn. The committee is to investigate what spread is detrimental to or against the interests of the public in that it is excessive or results in undue enhancement of prices. This part of the bill only refers to spreads made by the middleman, to which reference has been made. The hon. member for Winnipeg North Centre (Mr. Woodsworth) has said that there was no protection given to the consumer. The prices given to the producer may be unduly high but the minister's argument is that action can be taken apparently under the Combines Investigation Act. The powers in this bill are to some degree wholly divergent from and contradictory to, the restrictions imposed by the Combines Investigation Act.

What does Great Britain do about it? There they have a consumers' committee, and this is not a committee existing only in the mind of the minister. The British act reads:

> A consumers' committee shall consist of a chairman and of not less than six other members, who shall be such persons as appear to the minister, after consultation with the board

of trade and, as to one member, with the Cooperative Union, to represent the interests of the consumers of all the products the marketing of which is for the time being regulated by schemes approved by the minister.

It is a well known fact that the board of trade in England functions in a manner entirely different from our local boards of trade. The board of trade there alluded to is practically a department of government. This committee is charged with the duty of considering and reporting to the minister on the effect of any scheme approved by the minister, which is for the time being in force, on consumers of the regulated product. If necessary, another committee can be set up under the British act. This is a committee of investigation and shall consist of a chairman and four other members. That committee is charged with the duty of going into the statements made by the original committee. That committee has full power to go to any of these boards and examine their books, and so on. A report is then made to the minister. If the committee of investigation reports to the minister that any provision of a scheme is contrary to the interests of consumers or the interests of any persons affected by the scheme and is not in the public interest, the minister, after consulting with the board of trade, may by order make such amendments as are thought necessary or revoke the scheme. Those are pretty drastic powers to be carried out on the recommendation of the first committee as endorsed by the second investigating committee. The minister may then revoke the whole scheme if he thinks a consumer is getting what we call a raw deal.

If amendments such as these were introduced into this bill we would be given more encouragement to vote in its favour, but when we see the wide divergence between this bill and the protections given under the British act, it makes us wonder whether the whole thing is not just a piece of window dressing to look at, to admire and to point to rather than something that is to be carried out. I hope I am not doing the minister and the government an injustice in saying that. Why not make the thing workable and practicable? Does not the minister think that there should be some protection for existing contracts, those made either immediately before or immediately after the passing of this bill, in order to maintain the ordinary channels of trade?

Mr. WEIR (Melfort): I shall deal with the hon. member's questions as nearly in order as I can. First, the amendments to this bill are not a closed book, as he suggests. Secondly, I feel that all local boards will be anxious to facilitate all contracts rather than to break them. As far as protection to the consumer is concerned, what protection has he at the present time which he would not have after this bill is passed? The hon. member has suggested that the chief purpose of the bill is to raise prices, but I have always maintained that the chief purpose is to stabilize prices.

Mr. NEILL: The same thing.

Mr. WEIR (Melfort): Very different. For example, under present conditions it is quite possible—I believe hon. members will agree with me when I say that it has been done—that forces outside the control of the producer and outside the welfare of the consumer may bring prices down to an abnormally low level. Stocks may be accumulated in the hands of a few, and prices raised higher than would have been possible had the flow of goods been regulated and the consumer forced to pay more than he otherwise would have to pay. Under this bill all products will go forward according to grade and in a more regular manner and prices and markets will be stabilized.

With reference to the protection given in Great Britain to the consumers: Consumers' committees are set up; they report their objections to the minister, who takes them before the governor in council, after consulting with the board of trade. Under this bill we have the power to revoke schemes and withdraw authority from the local board. We have just as much power over our local board as is given under the British marketing act. We have the power to regulate the spread between what the producer gets and what the consumer pays. At the present time there are very few ways of controlling that.

Mr. NEILL: It comes back to the fact that the minister has sole control; he can kill or he can keep alive. He may be satisfied to assume that power, but I would not care to be in his position. It is true that the bill says he can revoke, but there is no machinery provided whereby the consumer can be vocal in expressing his wrongs. Such machinery is provided for in the British act, under which there is the consumers' committee and the additional investigating committee. Where is the machinery in this bill? I may approach the minister and say that such a thing is wrong and he may or may not take action. He has no facilities for doing so. This bill is not at all compatible with the British bill, but if that is his determination—

Mr. WEIR (Melfort): The hon. member states that there are no facilities for taking action. What more facility is necessary than the power to withdraw, if necessary, all authority from the local board?

Mr. NEILL: I believe that is expressed in section 5, but it is expressed in a very general way. I think any minister would hesitate to destroy completely the work of a board simply on the say-so of Tom Jones. Tom Jones' complaint is not given any authority or power. He may apply to the minister and the minister's deputy may decide that there is nothing in the complaint. There is no real machinery provided whereby the consumer can express his wrongs. The only way he can speak is by personal letter to the minister.

The minister said that any local board would be glad to facilitate contracts, but I do not know why they should be. We do not know what these boards may be like. They may be flushed with their authority. They are put in power and the first thing they will want to do is to control things as much as possible. It would be a deterrent rather than a help to their operations to have existing contracts. They certainly will not be friendly and sympathetic to people who have made prior contracts. But at any rate their powers begin when the board is approved by the minister, and there will be existing contracts then. There will be no provision however to take care of them. We cannot be very far wrong if we follow the British act, not in its letter and entirety, for their conditions are different, but in its general spirit. They have a very fine sense of making laws that are workable, laws that fit in with the general temper of the people, and it is because laws meet with the approval of the vast mass of the people that they are so well observed in Britain. It is because the laws are so constructed as to afford every facility to anyone to get redress for any grievance which he may feel. I think there should be provision in this act to take care of existing contracts, before the bill goes into effect.

Mr. WOODSWORTH: I endorse what has been said by the hon. member for Comox-Alberni. While it may be true that the door is not closed to amendments, it is extremely difficult for a private member of the house to introduce amendments in committee of the whole, because the amendments have to be fitted into the entire scheme. I would however suggest to the minister that he take into consideration the possibility of incorporating in the present bill some of the features of the British scheme. While undoubtedly we are trying to protect the producers, as I said before there is no real provision for the protection of consumers. It is quite possible for example that a local milk concern might come under this board. I believe there is provision in the amendments that a board in a certain province might be brought under the operations of this act, and I can quite conceive that a group of milk producers, if they had exclusive control, might run up the price of milk so that the consumers in the city would suffer.

The hon. member for Comox-Alberni is right; there ought to be some way by which the consumers, through regularly organized representation, might be in a position to protest against high prices and in that way protect themselves against exorbitant charges. At the present time the producers are being very badly dealt with, but I do not think that any class in the community can be very safely trusted with exclusive and rather arbitrary power. They might very easily use such power to the detriment of the general public. It would seem to me to be a roundabout way if a few consumers had to make representations to the minister, sending deputations to Ottawa to reinforce those representations. In practice that would be an impossibility for any ordinary group of consumers.

There is another point to which I called attention in passing at an earlier stage of this discussion, and that is protection to the employees in industry. There is a very considerable number of people engaged by the fruit growers as pickers. I have every sympathy with the growers of fruit; it seems to me they ought to be protected. But I should like to see in this act some provision for their employees. Very often when a man is subject to exploitation he takes it out on his employees, and I suggest that there ought to be some protection for the latter. I think that is true in connection with the tobacco industry, about which we have heard so much. People brought in to do certain types of work are often required to live on low standards. That is also true of the beet industry. People are often employed for the season and they and their families work at such wages as enable them to maintain only a very low standard of living. In that case I have every sympathy with the producer. I do submit however that there ought to be in this bill provision for the employees, and I hope the minister will take these two points into serious consideration.

Mr. DONNELLY: I come from western Canada—

Mr. WOODSWORTH: Before the hon. gentleman proceeds, can we have some answer from the minister with regard to the two points which I have raised?

Mr. WEIR (Melfort): I did not think an answer was necessary. I thought the hon. member wanted the points to be taken into consideration and I have made a note of them.

Mr. WOODSWORTH: Well, that is something to be thankful for; but seeing that I made a specific request, I think we should have some amendments along the lines I have indicated. We should be told whether there is any prospect of having such amendments; if not we shall have to bring in the amendments ourselves, and that is not so satisfactory.

Mr. DONNELLY: Coming from western Canada, I am interested in this bill particularly in so far as it applies to the marketing of wheat. Wheat forms probably ninety per cent of the products of the western farmer. Will the minister tell us how, under present conditions, this act when applied to wheat will help the farmer to get any more for his product? If it is going to help the farmer to get a fraction of a cent more for his wheat, then I am prepared to support it in every way.

We all know the conditions which the farmers in the west are faced with to-day. True, the farmer in the west is a little better off than he was last year. Last year when he produced a dollar's worth of commodities he lost 50 cents; to-day he does not lose quite so much, only about 25 cents. In other words, last year it cost him $1 to produce 50 cents worth of his commodities and to-day it costs him $1 to produce 75 cents worth. He is therefore just a little bit better off, but it will take a long time before he is on his feet again, and if this bill will help to put him on his feet once more I am ready to support it in every way.

Some people say that the great carryover of wheat has been all due to the Liberal policies that were in force from 1921 to 1929. They say that we lost our market under Liberal rule, that all restrictions placed against our wheat were put into effect while the Liberals were in power, and that no restrictions have been imposed since. Well, let us look at the facts. I will deal with wheat, taking a few countries, the major importing countries. What do we find in France? On July 1, 1930, when the Liberal government went out of power, the duty against our wheat going into France was 85 cents a bushel; on the 1st of May, 1934 there was a duty of $1.44 per bushel in force against us. That increase has come about under the Conservative government. For the last four or five years we have not had a crop of wheat and yet our carryovers have been piling up year after year. In Germany, on July 1, 1930 there was a duty of 97½ cents per bushel against our wheat; on the 1st of May, 1934 the German duty was $2.69—an increase piled up since this government came into power. Take Italy, which is another great importer. On July 1, 1930, the Italian duty against our wheat was 87 cents per bushel, and to-day that duty has been increased to $1.74 per bushel. Yet they tell us that no increase has been made in the duties against Canadian wheat going to other countries.

What about Belgium? On July 1, 1930, Belgium had a duty of one per cent ad valorem; to-day they have a duty of thirteen cents a bushel plus two and a half per cent ad valorem. What about Spain? On July 1, 1930, Spain had a duty of $1.10 a bushel; to-day they have a duty so fixed that the price of wheat in Spain shall always be at least $1.98 per bushel. What about China? On July 1, 1930, China had no duty on wheat; it was free. To-day the duty is ten cents a bushel including the surtax.

But that is not all. These importing countries have placed other restrictions, milling restrictions and quotas against our wheat. What do we find with regard to France? On July 1, 1930, three per cent of foreign wheat was allowed in all milling flour for domestic use; to-day no foreign wheat is allowed in domestic flour. On July 1, 1930, Germany allowed 70 per cent of foreign wheat in her flour; to-day only three per cent of foreign wheat is allowed in her domestic flour. On July 1, 1930, Italy had no restrictions; to-day they allow only one per cent of foreign wheat to be used in domestic flour.

The whole answer is that the duties and the restrictions which this government has piled up against the products of other nations have made us lose many of our markets. Let us look at what the Commercial Intelligence Journal of May 5, 1934, has to say in regard to Canadian wheat imported into Switzerland:

> Since the war Switzerland's annual imports of Canadian wheat have been close to 10,000,000 bushels. Taking into consideration its population of approximately 4,000,000, it has thus been one of the best per capita markets in the

world. Under normal economic conditions this trade would continue. Switzerland has, however, found it necessary to restrict imports from countries such as Canada and the United States with which there is a heavy unfavourable trade balance, and to divert it to other cereal-producing states with whom compensation agreements can be made.

Then they give a list of Switzerland's wheat imports, which shows that during the months of January, February and March, 1933, she imported from Canada 83,015 metric tons and for the months of January, February and March, 1934, only 24,886 metric tons. The article continues:

During the first quarter of 1933 Canada supplied 67·5 per cent of Switzerland's total wheat imports. For the same period of 1934 the figure had shrunk to roughly 28 per cent, a loss of 58,129 metric tons. For the second quarter of 1934 it is reported that quota allotments will allow Swiss millers to use only ten per cent of Canadian wheat, . . .

Assuming this to be the case, only about fifteen per cent of Switzerland's total imports for 1934 will come from Canada in comparison with 47·13 per cent in 1933 and fifty-two per cent in 1932. It is not improbable therefore that Canadian grain exporters will have to face the possibility of losing a market for as much as 175,000 metric tons or 6,431,250 bushels of wheat

That is lost in Switzerland alone. That is what has caused our markets throughout the world to be lost. The other day France gave us the answer. When we had the conference in Italy, what did France say? She said that she was willing to take our quota, to lessen her milling restrictions and to reduce her duties; but she said also: "What are you willing to buy from us if we buy from you?" That is the whole answer with regard to the present wheat market.

I should like to put this question to the minister: We have a carryover of something like 200,000,000 bushels, and during the past four years our government, practically speaking, has handled all our wheat; because John I. McFarland has been buying all our wheat and selling it. You may call it options or whatever you like, but when you buy an option, at the end of the time you have to take the wheat or sell it to somebody else. John I. McFarland during the past four years has for this government been handling practically all our wheat. How much better will we be off under this bill? Will it give the farmers any more for their wheat than they are getting to-day, and if so, how can this result be reached What is to be done with this carryover? If we go under this bill, form organizations and sell our wheat, I would like the minister to tell us how this will benefit the farmers.

[Mr. Donnelly.]

Mr. WEIR (Melfort): It gives the farmers an opportunity, if they organize under this bill, to control their own product if they feel that by doing so they will obtain any more for it. There is no necessity in my following further the remarks of the hon. member with reference to his speech on tariffs. If the farmers do not see fit to organize and it is felt that assistance can be given to the marketing of our wheat, there is power in this bill to give that assistance in the way in which it has been given during the past two or three years or in any other way that may seem fit and advantageous. My impression of the work of Mr. McFarland is different from that of the hon. member according to his statement. While he was speaking I made a note that he said that the government through Mr. McFarland was buying all Canadian wheat; my understanding is that Mr. McFarland is not buying all Canadian wheat, but rather he takes up wheat as it flows on to the market when it is felt that the price will break and the bottom fall out of the market.

Mr. ELLIOTT: I want to ask the minister a question arising out of conditions as they exist in a number of counties in Ontario where the farms are on the outskirts of a city and are not as large as they are in the districts in the west to which the hon. member for Willow Bunch (Mr. Donnelly) has just referred. The first question I would like to ask is this: Does the minister contemplate a board for each natural product of the farm?

Mr. WEIR (Melfort): A number of small products might be grouped together under one board, depending upon the wishes of the farmers in any one particular locality.

Mr. ELLIOTT: Do I understand the minister to say that the style of the board depends upon the people who are forming it in the local jurisdiction?

Mr. WEIR (Melfort): Yes, they submit their plan and it, of course, has to be approved.

Mr. ELLIOTT: That means that a certain plan may be asked for in one district and a different plan asked for in every other district. Does that necessarily mean that you may have just as many plans as you have districts? That is the point that strikes me as being of interest.

Mr. WEIR (Melfort): If it were deemed advisable, that might occur, but I do not contemplate that it would.

Mr. ELLIOTT: As I understand the minister, it might occur that you would have about as many different plans or schemes as there were groups of people asking for plans; then you might have as many boards as these people desire. I am asking these questions for the information of the people whom I represent, because in my riding we produce many products. We start in the early spring with lettuce, asparagus and other early vegetables; we grow strawberries, raspberries, currants of various kinds, cherries, plums, peaches, apples and potatoes; we raise horses, cattle, sheep, hogs, poultry and produce dairy products, eggs and innumerable other articles. As a matter of fact there is very little that is not produced in that fruitful section of the country. How many boards would be required to handle those various products?

Mr. WEIR (Melfort): That would depend upon the submissions of the producers as to what they thought would be to their best advantage.

Mr. ELLIOTT: Then would this be possible: In a community where, for instance, the people produce garden stuff such as asparagus, lettuce and that sort of thing, if there was an aggressive aggregation of those people naturally we would expect one board for those products. Would the minister say whether those articles would be grouped under one board or whether there would be a separate board for each article, if it were asked for?

Mr. WEIR (Melfort): They would make their submission, but from what the hon. gentleman has said I would gather that the people in his constituency are quite rational—

Mr. ELLIOTT: They have given every evidence of it.

Mr. WEIR (Melfort): —and that they would give full consideration to the problems before them. Personally I feel that few if any people are better qualified in this connection than are the producers themselves. There is a difference between saying what might be possible and what might be conceivable.

Mr. ELLIOTT: Then as to licences, would the minister tell us what is contemplated in that regard? I do not see that any change is proposed with regard to subsection (f) of section 4, which reads:

> —to require any or all persons engaged in the production or marketing of the regulated product to register their names, addresses and occupations with the board, or to obtain a licence from the board, and such licence shall be subject to cancellation by the board for violation of any provision of this act or regulation made thereunder.

Has the minister in mind that each individual who intends to market any product must have a licence for that product, or is it contemplated that he will have a blanket licence for all the products of his farm?

Mr. WEIR (Melfort): That depends on the producers themselves, as to what they desire. No person is going to force any producer to take out a licence or do the things referred to unless the producers express their desire to do so.

Mr. ELLIOTT: May I point out to the minister that this is not what the act says. It states:

> The board shall, subject to the provisions of this act, have power—to require any or all persons engaged in the production or marketing of the regulated product to register their names, addresses and occupations with the board—

I take it that this means the general board?

Mr. WEIR (Melfort): No, the local board, if that is included in the scheme suggested by the producers themselves.

Mr. ELLIOTT: Then it is only if the producers themselves ask for a registration that a registration will be made; is that correct?

Mr. WEIR (Melfort): I would say yes.

Mr. ELLIOTT: Then I would very respectfully suggest to the minister that when we come to this section it should be changed, because that is not the way I interpret it now. My hon. friend from Gloucester (Mr. Veniot) says it means the dominion board, and that is the way it would appear to me. Does the minister say that only one licence will be required for one farmer or that one licence will be required for each product?

Mr. WEIR (Melfort): That is up to the producers themselves, in their own submission.

Mr. ELLIOTT: Then if the people who control the production of any particular natural product, the people who are the leaders in the strawberry industry or any other scheme, ask for a certain scheme and request that everyone who intends to sell under that scheme be registered, does the minister propose that their request will be granted if it appears reasonable?

Mr. WEIR (Melfort): If it appears reasonable.

Mr. ELLIOTT: So if it appears reasonable to the producers and to the minister you could have a board for each of these products in a county such as Middlesex, for example? You could have these boards if they were asked for by the leading producers of each product?

Mr. WEIR (Melfort): I do not think the hon. member is doing it purposely, but he seems to be following the line adopted by other hon. members during this discussion, who repeated over and over again that if sixty per cent agreed the other forty per cent would be forced in. I do not know whether or not this is for public consumption, but I know the hon. member would not wittingly do that. He is endeavouring to build up a hypothetical case with regard to leading producers. It is not contemplated at all that leading producers will be able to force their will on the other producers; it will be the majority of the sum total of the intelligent producers, as to what they think is best in the handling of their own product.

Mr. ELLIOTT: I would just suggest to the minister that he would do well to listen to the argument that is being advanced rather than to the suggestions made by somebody else who is supposed to be here to assist the committee.

Mr. WEIR (Melfort): I must object to what the hon. member says.

Mr. ELLIOTT: I note the objection.

Mr. WEIR (Melfort): My deputy, seeing me hesitate while trying to recall what the hon. member said, in order to finish my answer, supplied the words "leading producers" and that was all.

Mr. ELLIOTT: I want the minister to know that this is not for the purpose he has suggested, and I do not thank him or his deputy, if that is the source from which it came, for the suggestion or the manner in which it was made. Perhaps the minister will allow me to finish before he says anything further. It does not assist the discussion of a question of this kind to make suggestions like that. Surely the minister will not say that I have unnecessarily taken up any of the time of this committee, but I propose to endeavour to secure answers to the questions that are troubling me and the people whom I represent. Now, if I have understood the minister correctly, he says that if the producers ask for a local board in regard to each different product they can have it and, if the local board makes the request, it will become necessary to have a licence for the production of each product. I do not assume that the minister has any idea as to what the scheme may be in each locality, as to whether or not there will be a checkerboard scheme with as many different plans as there are boards. If that were the condition I suggest that it would be one of the most iniquitous features in connection with this bill. The farmers are labouring under difficulties enough without being asked to go and register their names, addresses and occupations with the board.

Mr. WEIR (Melfort): May I suggest that the farmers are not being asked to register, or to do anything else, except at their own request.

Mr. ELLIOTT: Under the bill as it now stands "the board shall, subject to the provisions of this act, have power to regulate" —and so on. That is as plain as the English language could be. Paragraph (f) of clause 4 reads:

> (f) To require any or all persons engaged in the production or marketing of the regulated product to register their names, addresses and occupations with the board, or to obtain a licence from the board, and such licence shall be subject to cancellation by the board for violation of any provision of this act or regulation made thereunder.

I suggest to the minister very respectfully that the farmers and small producers of this country—the man who produces fifty bushels of plums, so many bushels of pears, so many barrels of apples, so many dozen eggs, so much poultry—does not want to be subjected to the inconvenience this section would impose upon him.

I should like to ask the minister whether or not it is the board which has the power to cancel licences. The bill says: "shall be subject to cancellation by the board." Is that the local board or the dominion board?

Mr. WEIR (Melfort): The local board, with powers delegated by the dominion board, on the basis of the scheme set up, will have power to withdraw or cancel a licence. The other statement to which the hon. member referred, when he mentioned the farmer with a few dozen eggs or a few apple trees is taken care of in paragraph (b). That is, the local board has power to exempt certain individuals, a provision which appears in the British act.

While I am on my feet I should like to refer to something which I am sure the hon. member either misinterpreted or misunderstood. When I spoke before, I thought I made it clear that I did not think for a moment the hon. member would wittingly give an incorrect impression, but in each of his statements he used an expression indicating that leading producers could force their will on the other producers. I just wished to bring this to his attention.

Mr. ELLIOTT: What happens after a licence is cancelled? Has that man no rights with regard to marketing?

Mr. WEIR (Melfort): I would say that after his licence is cancelled he would be prepared to conform to the regulations of the board, when he would see the effect of them.

Mr. ELLIOTT: It is a kind of chastening placed upon the producer after his licence is cancelled.

Mr. WEIR (Melfort): No, it is compulsion to make him conform to the regulations.

Mr. ELLIOTT: Oh, but he does not belong to the board any longer; his licence is cancelled.

Mr. WEIR (Melfort): He cannot operate, then.

Mr. ELLIOTT: He cannot operate?

Mr. WEIR (Melfort): No.

Mr. ELLIOTT: I wish to call the minister's attention to a statement made by an eminent authority with regard to interference with freedom of the business of a country. I refer him to a book entitled The English Constitution written by Walter Bagehot. He speaks first about bureaucracy,—and if ever a bill was intended or calculated in the final result to build up a bureaucracy, I say it is this one. If the committee will permit I shall read what the author has to say in this regard:

Not only does a bureaucracy thus tend to under-government, in point of quality; it tends to over-government, in point of quantity. The trained official hates the rude, untrained public. He thinks that they are stupid, ignorant, reckless—that they cannot tell their own interest—that they should have the leave of the office before they do anything. Protection is the natural inborn creed of every official body, free trade is an extrinsic idea, alien to its notions, and hardly to be assimilated with life; and it is easy to see how an accomplished critic, used to a free and active life, could thus describe the official.

And this is the description.

"Every imaginable and real social interest" says Mr. Laing, "religion, education, law, police, every branch of public or private business, personal liberty to move from place to place, even from parish to parish within the same jurisdiction; liberty to engage in any branch of trade or industry, on a small or large scale, all the objects, in short, in which body, mind, and capital can be employed in civilized society, were gradually laid hold of for the employment and support of functionaries, were centralized in bureaux, were superintended, licensed, inspected, reported upon, and interfered with by a host of officials scattered over the land, and maintained at the public expense, yet with no conceivable utility in their duties. They are not, however, gentlemen at large, enjoying salary without service. They are under a semi-military discipline. In Bavaria, for instance, the superior civil functionary can place his inferior functionary under house-arrest, for neglect of duty, or other offence against civil functionary discipline. In Wurtemberg, the functionary cannot marry without leave from his superior. Voltaire says, somewhere, that, 'the art of government is to make two-thirds of a nation pay all it possibly can pay for the benefit of the other third.' This is realized in Germany by the functionary system."

I shall not read it at length, but it goes on to say:

The functionaries are not there for the benefit of the people, but the people for the benefit of the functionaries. All this machinery of functionarism, with its numerous ranks and gradations in every district, filled with a staff of clerks and expectants in every department looking for employment, appointments, or promotions, was intended to be a new support of the throne in the new social state of the continent; a third class, in connection with the people by their various official duties of interference in all public or private affairs, yet attached by their interests to the kingly power.

And this is the last reference I intend to make.

The Beamptenstand, or functionary class, was to be equivalent to the class of nobility, gentry, capitalists, and men of larger landed property than the peasant-proprietors, and was to make up in numbers for the want of individual weight and influence. In France, at the expulsion of Louis Philippe, the civil functionaries were stated to amount to 807,030 individuals. This civil army was more than double of the military. In Germany, this class is necessarily more numerous in proportion to the population, the landwehr system imposing many more restrictions than the conscription on the free action of the people, and requiring more officials to manage it, and the semi-feudal jurisdictions and forms of law requiring much more writing and intricate forms of procedure before the courts than the Code Napoleon.

Mr. GARLAND (Bow River): Go on.

Mr. ELLIOTT: I believe the committee has benefited by the changes which have been made in the bill. I am glad they have been made. Many of those changes were made as a result of suggestions which have come from the committee since the bill has been before it. I should like to make this suggestion very seriously—

Mr. WEIR (Melfort): Has the hon. member any special change in mind which has been made at the suggestion of any hon. member opposite?

Mr. HANBURY: Why did you change them, then?

Mr. WEIR (Melfort): My statement was that they were not changed; they were put there to clarify what was already included.

Mr. HANBURY: The whole trend of the bill has been changed.

Mr. WEIR (Melfort): Would the hon. member suggest how it has been changed; or what particular part of it. He seems to speak with authority, and with a finished statement.

Mr. ELLIOTT: Perhaps we could get over that if the minister would say that all of this discussion and all the suggestions he has received have been of no benefit to him and have contributed no assistance in the making of the changes that have taken place.

Mr. MACKENZIE KING: The member said the committee; he did not say the opposition.

Mr. ELLIOTT: This is the suggestion I want to make to the minister, and I want to make it without being offensive. He knows the sentiment among the producers of this country to-day pretty well. There is no margin of profit. As a matter of fact the general producer of natural products in this country to-day cannot get for his products the actual cost of production, just as the hon. member for Willow Bunch has said, and they are in no humour to be subjected to a lot of restrictions and limitations and supervision in the getting out of licences, and particularly the charging of fees for the service of boards that they have no voice in appointing.

Before this bill goes out of committee I think the minister would be well advised to clarify the section dealing with the number of products for which boards can be formed. Surely a man should not be subjected to membership in at least a dozen boards, a potato board, an apple board, a wheat board, a cattle board, a hog board and various other boards. He should not have to take out more than one licence if he should have to take out any at all.

Furthermore I would like to ask this question of the minister: Is it intended that the cost of setting up this machinery is to be borne by the producer or borne out of consolidated revenue fund in view of the changes that have been made in the section?

Mr. WEIR (Melfort): The intent is, when the local board is set up, that the cost of operation and administration will be borne by the producers. With all due respect to the hon. member, I still feel that he has not at all grasped the significance of this bill. He states that his producers do not want to be subjected to all this licensing. It is up to them absolutely to say so or not. No person is subjected.

[Mr. R. Weir.]

Mr. ELLIOTT: Just this concluding word. I am sorry if the minister misunderstood me. It is not up to them to say, if some other board or organization has power to compel them to come in against their will.

Mr. WEIR (Melfort): No other board has.

Mr. ELLIOTT: Then the act must be changed from what it is now or some superior authority will have that power.

Mr. MACKENZIE KING: Let me just quote, so that we may get it clear, what the minister said in this house on May 9, 1934, at page 2947 of Hansard. Speaking of the scheme I asked:

> But if it were approved and say sixty per cent had put forward the proposed scheme, would not the remaining forty per cent be obliged to enter the organization and come under the regulations?
>
> Mr. Weir (Melfort): My understanding is that if that was one of the conditions of the scheme, the remainder could be forced to come in. Hon. members opposite have been repeating themselves with their references to sixty and forty per cent. I hope those references were made only by way of illustration. I think we are all agreed that the success of any scheme under which compulsion would be necessary would be more likely if there was the highest possible percentage.
>
> Mr. Mackenzie King: I am obliged to the minister for his direct answer. It brings out an all-important feature to which sufficient attention has not been given as yet.

I think that is as clear as can be. If a certain number, whether it is a bare majority or a number running up to sixty or seventy or eighty per cent of the producers, set forth a scheme, and it is approved, the remainder are obliged to come under it, and they will have to submit to the licensing process, submit to regulations which prescribe the extent to which they may be permitted to produce or sell or offer for sale, and submit to all the other regulations contained in the scheme whether they like it or not.

Mr. WEIR (Melfort): When a scheme is submitted by the producers themselves these things are set out in the scheme, and each producer, if he is asked to vote, will understand what he is voting on. The dominion board will have no power to impose anything on any of the people of that region except in conformity with the scheme set up at their own request. The right hon. gentleman suggested that a bare majority might be in favour of it. Well, I have not made any different statement to-day, at least I hope I have not, from the statement which the right hon. gentleman has just quoted from Hansard. It has always been in my mind that it would be possible, if the scheme were

approved by the provincial minister or the federal minister, depending upon the auspices under which it was set up, to force in the minority if in the opinion of the minister it was felt that the scheme was satisfactory, and the vote that was asked for was sufficiently representative.

Before I take my seat may I ask this question? Is it not possible at the present time without this bill at all for a provincial government, if a majority of the people demand a scheme such as one of these schemes might be, to compel others to come in under that scheme?

Mr. MACKENZIE KING: It is always possible for a provincial government to pass any laws it desires and to compel people to accept their provisions provided the government is in a position to get support enough to enact the legislation, but that is very different from what is proposed here. This is to allow a group of the producers in a locality to frame a scheme which will apply only to that locality, and which will oblige the other producers in that locality, who happen to be in a minority in the community, to come under the regulations set forth in that scheme.

The minister always says in his remarks: It is for the producers themselves to say. But when he uses the word "producers" he means a particular group of producers who get together to form a scheme—not the producers who are outside the circle and who may not necessarily wish to avail themselves of the scheme and fall in line with some group that has got control for the time being, or may wish in some way to further its own ends.

Mr. WOODSWORTH: Is not that a well recognized principle in local option?

Mr. NEILL: You yourself, Mr. Chairman, know that in British Columbia a certain group of producers did get the provincial government to pass a law of this kind. The majority decided it should govern, but that law was declared to be ultra vires in the courts.

If I caught the minister aright he said in answer to my hon. friend from West Middlesex that the dominion board had power to exempt certain individuals, just as there was such a provision in the British act. I really cannot allow that statement to go unchallenged. I have already brought out that point here, but apparently it did not soak in. The difference is enormous between this bill and the British system of exempting somebody. This bill provides that the dominion board shall have power to make orders or determinations. That is in section 4 (a). Then paragraph (b) gives the board power:

> to exempt from any determination or order any person or class of persons engaged in the production or marketing of the regulated product.

It will be noticed that any person, even an exporter, may be exempt from the determination or order of the board. That almost invites the suggestion of favouritism. The British system is quite different. There they exempt from the provisions of a scheme certain small producers. In order to do away with the multiplicity of reports and returns they exempt the man who may have only one cow or a pig or a few hens. They set a minimum, so to speak, and state that if a man has not more than so many hens he will be totally exempt. But when they make an order it applies to everybody in the scheme, there is no favouritism. I think they state that anyone milking less than four cows or selling eggs in lots smaller than two dozen does not come under the scheme.

Mr. WEIR (Melfort): Who decides that?

Mr. NEILL: It is decided by the government.

Mr. WEIR (Melfort): It is provided for in the scheme.

Mr. NEILL: It is provided for in the scheme sanctioned by the government. In our case it is the dominion marketing board that will exempt. They are not exempting the little fellow in order to save all this trouble and annoyance, they may pick out an exporter and say that the particular order does not apply to him. Such an exemption may be worth thousands of dollars to a man. He may be loaded up with a lot of exportable stuff and an order comes out preventing exportation for a fortnight and because of political favouritism—I do not exempt any government—he may be exempted. With their ability to frame laws to give absolute justice, the British do not do it like that. When a board there makes an order or a determination it applies to everyone; everyone except the little man who is exempted from the whole scheme must comply with all orders. Look at the trouble that saves. We will have every man who owns a cow on some back lot sitting down and making out returns. I just wanted to emphasize the difference between the British system of exemption and that proposed in this bill.

Mr. WEIR (Melfort): I maintain that subsection (b) makes provision for the exemption of individuals as set out by the producers when they submit their scheme, and in that respect the provisions have the same effect as those contained in the British act.

Mr. MACKENZIE KING: The hon. member for Winnipeg North Centre (Mr. Woodsworth) asked me whether or not the principle governing the formation of these local boards at the instance of the majority in a locality was not the same principle as that underlying local option. May I say to him that I think it is a diametrically opposite principle. The principle of local option is that everyone in a community determines whether or not there is to be local option. Under this measure, only an interested occupational group determines what regulations shall apply. The correct parallel would be if local option in a given community were decided by, say, only those who were intemperate or wished to drink as they please. If only that class of people were to be given the right to decide whether or not everyone was to have the right to drink as he pleased, you would have an exact parallel. Take it the other way. If only the temperance people were to say as to whether or not licences should be granted or prohibition put into force in a certain locality, without those who possibly might hold opposite views being given a say you would have an exact parallel. It would be an interested group having authority and power to compel everybody else to fall in line with their own point of view, and that is just what is being proposed here. The only difference is that in the case of the local option illustration the reference would be to consumers whereas in this bill it is to producers.

Mr. VENIOT: Mr. Chairman, I do not intend to take up much of the time of the committee as I have stated already my opposition to this bill in so far as it refers to the fisheries and products of the sea. However, there is some enlightenment which I would like to have from the minister in view of certain amendments which have been submitted. An amendment has been submitted to section 2, subsection (e), which more specifically defines a natural product. I am informed that under the interpretation clauses, animals will include fish. The proposed amendment reads in part as follows:

—and such other natural products of the forest, sea, lake or river, and any article of food or drink wholly or partly manufactured or derived from any such product that may be designated by the governor in council, in accordance with the provisions of this act.

[Mr. Neill.]

Am I to understand that the byproducts of the sea must be designated by the governor in council? I shall give some of the byproducts. One of the byproducts of fish is cod liver oil. A byproduct of the lobster packing industry is tamale, a very delicate and delicious product. Seal oil is a byproduct of the seal industry. Then we have the fertilizer made up of fish offal. There is fishcake for the feeding of animals. Am I to understand that these byproducts must receive the sanction or be designated by the minister before they can be marketed through a system adopted by the local board or local group?

Mr. WEIR (Melfort): Any scheme set up must be approved by the governor in council. I think I can give an illustration whch will provide a more direct answer than a straight yes or no. For example, a scheme is set up for animals, or, in this case, fish. Such a scheme would have to be approved by the governor in council. If there were byproducts, and the producers of those byproducts also wished to submit a scheme, there would be no additional work as far as they were concerned because their requests would come before the governor in council at the same time.

Mr. VENIOT: The producers of these byproducts are not always the original producers. For instance, the original producer or fisherman does not produce cod liver oil. The lobster packer produces tamale but the original fisherman does not. I shall not refer to the seal fishing on the Pacific coast or at other places, but considerable is done in the maritime provinces. The man who hunts the seals does not extract the oil. In the case of fishcake, the man who does the fishing sells the product to the consumer but the sardine packing industry also manufactures fishcake from the products of the fisherman. In the case of fertilizer, there is natural fertilizer and manufactured fertilizer. Herring fry are found along the Atlantic coast. If the wind is favourable these are found in windrows three or four feet high by two to three feet wide running for miles along the shore. That product is saved and used as fertilizer but is not put through any process of manufacture. Now what group will handle that? Will it be the farmer, the primary producer from the soil, or will it be those engaged in the fishing industry? With all due respect to the minister and his attempt to do what he thinks is right, I confess that I am scared that

so far as the fishing industry is concerned he does not know where he is drifting; if he did he would not allow the fishing industry to go into this bill. The bill is inoperative, and before he undertakes to bring the fishing industry within its provisions I would strongly advise him to consult the Department of Fisheries. In that department there are men of vast experience, experts who have studied the industry in all its details, who know the history of fishing, who have followed up the fish from the time the fry is sent out until it is ready for the market. In the maritimes there are associations that have made a special study of the fishing industry under the direction of the Department of Fisheries in Ottawa. And let me say this for the department. Prior to my time at Ottawa, and since, I have had wide experience with the officials of that department and I can say that there are no officials in any department of the government that pay more attention and give better service to an industry than do the officials of the Department of Fisheries to the Canadian fishing industry. We have a biological institution that studies very carefully the history of the fish and reports if not weekly at any rate monthly to the department the requirements of the fishermen, suggesting to the department what should be done to encourage these men to improve their conditions, and to find markets for their product. In the department here there is an organization that indicates to the fishermen the time when the fish will school, as we say in the industry: in what sections of the country and at what dates and tides it pays the fishermen to go into deep waters to catch mackerel; and so on. From the biological office there is given to the department information which indicates the best localities for codfish, and information as to conditions on the Grand Banks of Newfoundland is also available. In the department there is an organization that stimulates the fishermen to greater efforts than they have made in the past.

Under the last government the department organized a circle of fishermen's associations, not only to study the marketing business and the curing of fish, but to instruct fishermen in better methods of attaining their ends; and all this information is in the Fisheries department. All the necessary organization exists in that department. Why then impose upon the fishermen this law that places upon them, restrictions which they cannot carry out?

I am not speaking in any political sense this afternoon. If I had politics in view I would say, "Put the bill through as it is," because it would mean my election by acclamation in the county I represent. No; I have a better perspective of the duty I owe the public, the duty I owe the people I represent, the duty I owe Canada as a representative in this house. That perspective is the good of the people I represent; I want those people protected; I do not want them hampered by a law that will mean the ruin of the fishing industry.

Let me discuss the interpretation which the minister has put on the board. The registration must be made with the federal board; the minister cannot get away from that. The interpretation distinctly declares that "board" means the federal board, and it also states that local board shall mean so and so. In section after section you will find provision for recommendations to be made to the federal board by the local board. When therefore you come down to the section dealing with registration, which is one I strongly oppose in the interests of the fishermen, why should the minister tell us that registration must be made by the local board? The bill distinctly says that the board shall, subject to the provisions of this act, have power to do so and so. Under "interpretation" we find that:

> "Board" means the Dominion Marketing Board established under this act.

And in paragraph (b) we find that:

> "Local board" means a board authorized to administer a scheme approved under this act.

I maintain that registration and licensing must be done by the federal board, and that is not the intention of the minister. If it is his intention that it should be done by the local board, then I say he should change the bill and make it convey that meaning. The Lord help the fishermen on the Atlantic seaboard, in the way fishing is carried on there now, if they have to observe that section which forces them to register and obtain a licence.

I have said my last word on behalf of the fishermen whom I represent, and I think I am voicing the views of every fisherman on the Atlantic coast when I say that this act is not workable. Leave us as we are under the Fisheries department, and if there is need of further power then put it in the hands of the Minister of Fisheries, and not of the Minister of Agriculture. What does he know about fishing? He is not supposed to know anything about fishing. I give him credit for his knowledge of agriculture; but when you are preparing a bill dealing with natural products and include in that bill natural products which are not understood by

the department that fathers the bill, then I say it is not fair to the people I represent—and the majority of the people I represent are fishermen.

After sending this bill to the people of my constituency with a request for their opinion on it, I have received letter after letter asking me to raise my voice once more in opposition to the bill. I had made up my mind not to add anything to what I said the other day because I felt I had gone far enough; but on the receipt of these letters I felt it my duty once more to protest. I would ask the minister, before he goes any further with the bill, at any rate so far as the fisheries are concerned, to go to the Department of Fisheries and consult the deputy minister and the experts there. Let him find out what they are doing for the fishermen and then see whether in his judgment it is necessary to include fish in this bill.

Mr. ROBERGE (Translation): Mr. Chairman, on May 11 last, speaking on the budget I was just going to broach the subject of the famous bill No. 51, when my forty minutes expired.

The Minister of Agriculture (Mr. Weir) by his first amendment to this bill showed that the criticism of the Liberal party was fair and justified. I shall add: if the government introduced this bill to relieve the farming class, it is because the opposition compelled them to come to the rescue of the farmers whose returns, since this government is in office, have fallen off 50 to 75 per cent. Ever since 1932, the Liberal party has requested such a measure for the farming class; one has but to refer to Hansard, vol II, session 1932-33. On November 24, 1932, the right hon. leader of the opposition (Mr. Mackenzie King) moved a resolution in the house purporting to assist agriculture. In 1933 the hon. member for Antigonish-Guysborough (Mr. Duff) moved a resolution in connection with a trade treaty with the United States which would have had the effect of improving the lot of the farming class. In 1934, the hon. member for Antigonish-Guysborough again moved his resolution. It was only after being compelled by the opposition that the government decided to introduce this bill No. 51 in order to help agriculture. At first, this measure could not be sanctioned by the opposition; however, with a few more amendments, it may be acceptable.

[Mr. Venoit.]

Mr. BOUCHARD (Translation): Hear, hear.

Mr. ROBERGE (Translation): To prove what little interest the government have always taken in the farming class, I shall endeavour to show how they fulfil the promises made in 1930, they promised to make the farmers happy. How? By taxing them; by increasing the duty 25 per cent on cream separators; 10 per cent on barbed wire; 19 per cent on mowing machines and binders, 17½ per cent on harrows, and 15 per cent on ploughs, by increasing the sales tax from 1 cent to 6 cents, postage stamps, 1 cent, and levying a tax on sugar. I have enumerated but a few articles, because the complete list would be too long. As we are on the eve of a general election, the government introduces this measure, hoping by these new promises to again deceive the people, especially, the farmers.

In perusing bill No. 51, it is obvious that it has not been entirely draughted by the hon. Minister of Agriculture, but under the searching eye of a dictator. Thus the two following sections have been inserted in the bill:

> 14. Every person who fails to comply with any order or determination of the board or of a local board or any regulation of the governor in council shall be guilty of an offence and punishable on summary conviction with a fine of not less than twenty-five dollars and not more than five hundred dollars, or to imprisonment not exceeding three months, or to both fine and imprisonment.
>
> 21. Every person who, to the detriment or against the interest of the public, charges, receives or attempts to receive any spread which is excessive or results in undue enhancement of prices or otherwise restrains or injures trade or commerce in the regulated product, shall be guilty of an indictable offence and liable to a penalty not exceeding five thousand dollars or to two years' imprisonment, or, if a corporation, to a penalty not exceeding ten thousand dollars.

Not satisfied with having broken the promises made to the farmers in 1930, to-day, by bill No. 51, as sections 14 and 21 testify, the government threatens the farmers with a fine or imprisonment if they do not comply with its marketing act; it is an insult to the farming class.

In 1932, sir, previous to the Imperial Economic Conference, held in Ottawa, the farmers, seeing that their distress had increased during the two years that this administration had been in office, considered it proper to suggest to the government what they themselves thought would remedy their situation, so that it might be discussed at the conference. Almost 2,000 delegates representing the farming class of all parts of Canada

met here. In order to be introduced to the government this delegation comprised both Conservative and Liberal members. An interview was requested from the Prime Minister (Mr. Bennett); it was only rational. What was the reply? That is the Prime Minister was too busy to receive them. They insisted that if the Prime Minister were too busy to receive them he should be represented by his Minister of Agriculture. The reply came back that his ministers as well as himself were too busy to receive them. That is the kind of interest that this government has shown towards the farming class since 1930.

The farmers, therefore, only await the opportunity to protest at the polls against the reception given to their delegates by the government in 1932, against all the taxes levied by this administration and against sections 14 and 21 of this bill which threatens all the rights and liberty they have enjoyed since confederation.

Mr. HANBURY: If it is considered advisable, would it be possible under this bill to prohibit imports of any commodity from one province to another?

Mr. WEIR (Melfort): I would say not. It certainly is not contemplated in the bill.

Mr. HANBURY: It may not be contemplated in the bill, but my interpretation of the measure is that it does give that authority. I understand that a provincial board regulates importations into a province. I may be wrong in that interpretation and if I am, I would like the minister to correct me, but if I am not wrong, then I suggest to the minister that they would have authority to prohibit importations from one province to another. I would like to have his answer to that question.

Mr. WEIR (Melfort): I would say that they have no authority to prohibit importations from one province to another.

Mr. McINTOSH: I would like to say a few words on this bill at the present moment and perhaps say something further later on. I have listened to the discussion in the house for the last few days, from members occupying the different parts of this chamber and I can truthfully say that I think the minister ought to appreciate the fact that from the fruitful discussion that has taken place certain amendments have been brought into parliament. I hope the last word with regard to amendments has not been spoken; that the good work we have started—and I am referring to the whole chamber—in modifying this bill, in so changing it that it is a better bill to-day than when it was introduced, will continue and that through that continuing transforming process we shall have evolved a bill which will be satisfactory to parliament as a whole. I believe it would be a vital blunder for parliament to accept a bill that in reality is not what it ought to be, that is not finally approved to such an extent that it will give general satisfaction not only in the house but throughout the whole of Canada. The minister has stated that in all likelihood further amendments will be brought down.

Mr. WEIR (Melfort): I stated that it was not a closed book as far as amendments were concerned.

Mr. McINTOSH: Exactly. That means the same thing, and I think the minister is to be congratulated on the fact that he has allowed the amendments we have had up to the moment, and on his statement that further amendments are not out of the question. To my mind that is a very vital statement, and in essence it means that this bill will be still further modified, so that by these modifications we may hope for a measure that will be satisfactory to all parties. I do not think a measure of this kind, which so vitally affects the future of the producers, should be made a political football, and any remarks I have to make will be from the point of view that further amendments should be brought down and the bill so modified that it will be a credit to parliament and Canada.

Up to the present time I think we have had twenty-two amendments to the twenty-one sections of the bill. To me that looks very much like a new bill. If any member can state when any bill was brought into this house containing only twenty-one sections to which at least twenty-two amendments were made, I am sure we would like to hear about it.

Mr. STITT (Nelson): How many amendments were moved by the committee?

Mr. McINTOSH: That is not the point. Practically every amendment brought down has evolved from the discussion in the committee, so that question does not mean anything. The hon. gentleman is only trying to dodge the issue, and he is not going to dodge it with me. Every amendment is the result of the discussion in this committee, and no hon. member sitting behind the government is going to get away with the idea that government supporters are alone responsible for these amendments. The house is re-

sponsible; the whole assembly is responsible, not the Conservative party or the government. I am willing—and I think the minister will admit that generally this is my attitude—to give the minister all credit with regard to what he has done and to repeat that as the representative of a western riding I appreciate the amendments he has brought down.

Mr. BROWN: The amendments have not been adopted as yet.

Mr. McINTOSH: An hon. member says the amendments have not been adopted. That is true, but none the less they are important, and I believe that with further amending and clarification most of the amendments will be adopted. The minister has said that the amendments are only to clarify the bill, and that they do not affect the principle at all. Well, when twenty-two amendments are made to a bill containing twenty-one sections, with section after section of the bill wiped off the slate, I think it looks very much as though these changes may result in practically a new bill. For instance, I find that paragraph (e) of section 2, having to do with the interpretation, is struck out. The new section has been made very much clearer; new thoughts have been incorporated, and it is much more concrete than it was previously.

Mr. WEIR (Melfort): I want to make just one observation. I think the hon. member is getting confused as between sections and subsections, is he not?

Mr. McINTOSH: I do not think so. I said that paragraph (e) of section 2 had been struck out.

Mr. WEIR (Melfort): I understood the hon. member to say that section after section had been wiped out.

Mr. McINTOSH: I am pointing out that subsections and sections have been wiped out, and I have given one example.

Mr. WEIR (Melfort): The example given was a subsection.

Mr. McINTOSH: Yes, and rightly so. Then we come to page 2, section 3 of the bill, and we find subsection (9) wiped out entirely.

Mr. WEIR (Melfort): Perhaps I was not following closely. Did I understand the hon. gentleman to say that subsection (e) had been completely struck out, or that it had been amplified?

Mr. McINTOSH: I will use the words that appear in the amendments that are to be found on page 3 of the votes and proceedings of Friday, May 11, brought down by the minister. There it says, "Strike out paragraph (e) of this section," and if that does not mean to strike it out I should like to know what it does mean. My point is that when you strike out a subsection you are striking out a vital part of the bill as it was brought down originally and substituting something entirely new. Therefore, these amendments are something more than a clarification of the bill.

May I go on and deal with the other amendments. The minister in his amendments says that subsection (9) of section 3 is to be struck out, and I need not read what is to be inserted. Then on page 3 paragraph (a) of subsection (1) of section 4 is to be struck out; paragraphs (c), (e) and (i) of the same section are to be struck out as well. Then on page 4 we have subsection after subsection struck out.

Mr. WEIR (Melfort): Might I interrupt again just to get this clear? I do not wish to follow the hon. member in all that he has said, but I would refer to paragraph (a) of subsection (1) of section 4, which he mentioned. The only change made in that paragraph is the word "agency."

Mr. McINTOSH: That is an entirely new idea added to that section of the bill, and that is my point. I do not see why the minister should object, because I think it improves the bill. Does the minister suggest that he does not want to improve the bill?

Mr. WEIR (Melfort): Not at all; I do not want the hon. member to misrepresent what has been done. That is all. I am quite willing to accept any statement that is in accordance with what has been done, but I think he is going pretty far afield in the statements he is making.

Mr. McINTOSH: I do not wish to misrepresent. I might turn the tables on the minister and say that because he is differing from me the minister is trying to misrepresent. It is the same idea.

Let me continue—I am not sure just how far I had proceeded when I was interrupted. So many sections and subsections have been struck out that one almost gets lost in the forest of changes. Anyway, I believe I had reached section 4, where it is indicated that paragraph (8) is added, following paragraph (7). Then paragraph (3) of section 5 is struck out and paragraph (b) of subsection (5) of section 5 is struck out. Then turning to page 6 of the bill we find that section 9 is struck out, section 10 is struck out and section 11 is struck out. I think

these are most of the strike-outs, and this prolific "strike-out" ball game is just about over. I am inclined to believe those who say that in this lively strike-out game the bill has been entirely changed, and that we have a new bill. There is no doubt about it, we have made the bigger score—won the day.

Now let me proceed. The name given to the bill when it was introduced was:

An act to improve the methods and practices involved in the marketing of natural products in Canada and in export trade, and to make further provision in connection therewith.

I may say that as a member from western Canada I am wholly in favour of a marketing bill—that is, a real marketing bill, and not a political bill. I refer to a marketing bill, and nothing more. I am in favour of such a bill for the simple reason that for the last twenty-two or twenty-four years I have lived in an agricultural area of western Canada. During that time I have stood behind the farmers both on the public platform and in the press. I have stood by the farmers—the cooperative organizations of western Canada, the grain growers, the wheat pool—through that period of time, and I am not going to allow any man or party in this house to try to put me in a position whereby a continuation of that support will not be given.

Mr. LOUCKS: You should have voted for the bill then, and not against it. Why did you vote against it?

Mr. McINTOSH: I voted for the introduction of the bill. And if you will just hold your peace for a little while you will know the position I take. If you want to know why I did not register my vote for the bill on second reading, it was because I knew the bill was so utterly imperfect, that you would be forced to bring down amendments. That is the reason.

Mr. LOUCKS: You have to admit to having changed the principle of the bill.

Mr. McINTOSH: That is what I have said. Further than that I do not admit anything, so far as you are concerned.

Mr. LOUCKS: That is characteristic of you.

Mr. McINTOSH: As I said, I am for a marketing bill which will find a market in Canada or out of Canada for our natural products, or the products evolving therefrom. I am for a marketing bill for which there will be full ministerial responsibility. I am for a marketing bill which will be backed up by full parliamentary responsibility. I am for a marketing bill which will rest on the freedom of thought and action of the producers concerned, which will be built from the foundation up and not from the top down, which will be democratic and not bureaucratic. I believe the farmers are anxious to have that kind of bill, and an organization based upon that kind of bill. Then, I am for a marketing bill that is fully constitutional and that will not result in litigation later on and thereby become a source of expense to the community, the provinces, and the nation. More than that, I am for a marketing bill which will be accorded national support from the start, and will not divide the support of the producers, thereby bringing about confusion worse confounded. I am for a marketing bill, in other words, that is not a political bill, that is not a bureaucratic bill and which is not, to a great degree, based on any crumbling state socialism or fascism.

What about the bill which was introduced to this house, and about which I should like to say a word or two? The reason I was not very much in favour of it, as at first introduced, was that I could not make myself believe that the short title of the bill, namely the Natural Products Marketing Act 1934, was a correct short title. I would say that perhaps it could be better named: The Natural Products Unnatural Marketing Bill, or The Natural Products Unparliamentary Marketing Bill, or The Natural Products Unconstitutional Marketing Bill, or The Natural Products Non-Cooperative Marketing Bill, or The Natural Products Experimental Marketing Bill, or The Natural Products Compulsory Marketing Bill, or The Natural Products Restrictive Marketing Bill, or The Natural Products Destructive Marketing Bill, or The Natural Products Unconstitutional and Uneconomic Marketing Bill. That is the reason I was not very much enamoured of the bill when it came to the house, and that is the reason I wish now to congratulate the minister upon the number of amendments which have been brought down, because those amendments have entirely transformed the bill and made a new one which I hope, with further amendments, I shall be able to support.

Some hon. MEMBERS: Oh, oh.

Mr. McINTOSH: By the chattering of some hon. members sitting behind the government it would seem they must think this bill is about right at the present time. That does not indicate much because even before

the amendments were brought down we heard member after member sitting on the government side of the house state that the bill, which was far from right, was all right. If it was all right then, it must be much better now, and we hope it will be better still when further amendments are added to the measure now before the chamber.

Mr. LOUCKS: The principle of the bill is exactly the same, despite all you have said.

Mr. McINTOSH: No. I do not think I need say much more at the present time. I hope that amendments which, I believe, are in the offing will be brought down forthwith, because the sooner they are brought down the sooner the discussion will be over, the sooner we will have the bill remodified so that it may be generally acceptable throughout Canada. May I repeat that I think the minister is to be commended upon the many changes which have been made in the new bill before the house. If these are indicative of what we may expect in the nature of further amendments I may say that I believe there will be a greater degree of unanimity and co-operation in connection with the bill than we had at first expected.

Mr. HEAPS: I am more than pleased to witness the somewhat changed attitude of some hon members sitting to my right. It seems that now there is not very much difference between the contending factions in the committee. In fact, we have almost reached a stage of unanimity, and possibly with one or two further slight amendments the bill might go from the committee and, after third reading, be adopted as the unanimous legislation of the House of Commons. I am only too pleased to observe that I should be happy to do anything within my power to bring about unanimity. However, I have no desire in view of the statements that were made here last night and this afternoon to get into any controversy over the different aspects of this bill because it appears that controversy is almost a thing of the past so far as many phases of this bill are concerned. We are all agreed that in a measure of this kind there has to be a certain amount of compulsion or coercion, and the idea of a particular group voting for a new kind of economic council being formed is one I think that is accepted generally. Some are fearful because it will be occupational groups who will vote for a scheme under this bill, instead of the community as a whole. We are living in an age where because of economic conditions we are compelled to experiment along different lines perhaps than have been followed in the past.

I rose to point out that there have been a number of occupational groups who have come to committees of this house or to parliament within the past few months to request that councils of one kind or another be set up to deal with their particular industry. I have them enumerated here.

We have had the tobacco growers come to a committee of this house and ask for some form of council in their industry to protect the growers. We have had the furniture trade come and ask for some code, if you wish to call it that, in their industry. Those engaged in the clothing trade have also come and asked for a code. The retail merchants of this country from the Atlantic to the Pacific are all wanting some form of code to give them an opportunity of merchandising their commodities on what they consider a fair basis. Then those on the farm raising hogs and cattle want some form of council in their industry to give them the protection which they have not got at the present time. Those who are engaged in the packing industry have also come to a committee of this house and requested some form of regulation to give them protection in their industry. Only within the past twenty-four hours we have had those engaged in the fruit industry come before a committee of this house asking that something be done to protect the industry by which they attempt to make a living.

Then, in milk production, already in the province of Alberta legislation has been passed for the fixing of prices, and similarly in Manitoba, and I believe that in the province of Quebec—if I am wrong I hope I shall be corrected—legislation has been passed to deal with the milk situation in that province. I could go on and say that this house on many occasions in the past has gone on record for some form of compulsion in regard to one industry or another. In 1929 when my hon. friends opposite were sitting on this side of the house they were opposed to compulsory unemployment and sickness insurance, while the Liberal party was in favour of some form of compulsory unemployment and health insurance.

We can have no legislation of any kind for the well-being of the majority of the people without some form of compulsion. Therefore, Mr. Chairman, I shall not deal with that aspect of the question.

As I said before, I think we have got to the stage where we are all fairly unanimous in

regard to some of the provisions of this bill. But last night the leader of the opposition made a suggestion to the minister who is piloting this bill through the committee that if certain amendments were made to part 1 of the bill such as have been made to part 2, he would be ready to support the measure. The request of the leader of the opposition was not an unreasonable one. The amendments that he was requesting from the government I believe were not unreasonable, and I am just wondering if the minister who by now has probably had time to consider that request is in a position to give an answer to the suggestion of the leader of the opposition.

Mr. WEIR (Melfort): No specific amendments have been submitted, but as I have said, amendments will be considered.

Mr. MACKENZIE KING: May I ask my hon. friend from North Winnipeg (Mr. Heaps) a question just to make clear to the committee what may be in his mind? Does he see any difference in principle between trade unions, for example, demanding the right to compel those in similar branches of trade to enter the union and to abide by such regulations as the union itself may make with respect to wages, hours and working conditions, and what is proposed here with regard to organizations of producers?

Mr. HEAPS: There is a great deal of similarity in the two. The trade unions of this country and of other countries have made it one of their cardinal principles to be in favour of the closed shop, and that is exactly the principle that is being followed, in my opinion, in regard to certain provisions of this bill except that a trade union may take in much larger groups than the occupational groups coming under this measure. But so far as the principle here is concerned, it is more or less the same principle that has been followed by trade unions for many generations.

Mr. MACKENZIE KING: May I ask this further question? Would it not be most unfair to the trade unions to compel their members to pay the higher prices which they may be obliged to pay for commodities, assuming prices of commodities hereafter are to be determined by occupational groups or closed organizations of producers, unless the trade unions too were to be accorded exactly the same kind of opportunity of fixing wages and other conditions?

Mr. HEAPS: The trade unions have always insisted on a fair wage for a fair day's work, and we are prepared to give to others exactly what we are advocating for ourselves.

Mr. MACKENZIE KING: The hon. gentleman has not answered the question. I have asked whether the trade unions would be perfectly content after this legislation is passed to remain in the position in which they are at the present time, and not make any demand that they themselves be treated as regards the sale of their labour, and conditions under which they may be obliged to work in a manner similar to that in which this act proposes to treat the producer's organizations, should they be obliged to pay higher prices for regulated products.

Mr. HEAPS: I would not want to see the trade unions in an unfair position in relation to any other class, but the trade unions and working people of this country are not prepared to see the farmer giving away his stuff and compelled to live on a standard below the ordinary standard.

Mr. MACKENZIE KING: We all agree to that.

Mr. HEAPS: The trade unionist is in this position: He is advocating for the farmer the things he has been advocating for himself for many a long year. If prices rise too high, far beyond what is necessary to recompense the farmer for his effort, we will naturally object to that, but I hope that with the forming of these occupational groups or local economic councils in particular industries prices will be so regulated that they will be fair to the producer and fair to the consumer.

Mr. MACKENZIE KING: Where is there any provision in the bill which will ensure that?

Mr. HEAPS: I do hope, Mr. Chairman, that before the bill is passed, as my hon. friend from Winnipeg North Centre stressed yesterday, some action will be taken to safeguard the interests of the consumer in that respect.

Mr. LOUCKS: I just want to say a word on the point raised by the leader of the opposition. If the producers get a higher price that will be reflected back in increased purchasing power for the labouring man. The leader of the opposition—I give him credit for sincerity—seems to be very fearful for the minority. I am a farmer. Suppose I am a minority farmer, a competitor of my neighbour, and I refuse to come in under this scheme put forward for the industry. If there is no control over me I can practically destroy the price that my neighbour farmer and the majority group of farmers should re-

ceive for their products. I do not see anything dreadful about the position of the minority at all. When I do that, to a certain extent I destroy my own price as a competitor. I depress prices and, therefore, I destroy myself. I do not see anything very wrong with this bill. If a small minority does not come into the scheme, it will receive the same price as that received by the majority. There are bound to be certain individuals who cannot see their way clear to come in but if a majority thinks there is a possibility of raising commodity prices, those prices will be raised to the minority which has refused to come in. On the other hand, if we do not do something like this everyone will be hurt because prices may be depressed.

Mr. MACKENZIE KING: My hon. friend referred to me and I hope I have not misunderstood him. His argument seems to imply that higher prices will assist in the way of augmenting purchasing power.

Mr. LOUCKS: Yes, that is right.

Mr. MACKENZIE KING: I do not agree with that. The rise might be carried to a point where you would not have any demand. My hon. friend should remember that there is always that danger. As far as the rights of minorities are concerned, may I say that the protection of the rights of minorities is a fundamental obligation upon parliament itself, as well as on all members of parliament. It is the particular obligation of a party that happens itself to be a minority. Sooner or later everyone comes to be in the minority with regard to something, and unless the rights of minorities are protected, liberty itself will soon disappear. I agree with my hon. friend when he says that the man in the community who seeks to lower standards and who is prepared to undersell by unscrupulous and unfair methods should be summarily dealt with, but I believe parliament itself has plenty of scope and power to pass the regulations necessary to deal with that class of persons and that kind of behaviour. I think it should be parliament and not local groups that should make the regulations that are to govern industrial and commercial practices. In a word, my objection is simply this: So far as the regulating in this measure goes, it is not initiated or even concluded by parliament. Parliament is left out of the picture altogether; the whole thing is left in the hands of local self-interested groups and with the minister or the governor in council. Parliament is ignored altogether.

[Mr. Loucks.]

Mr. GOLDING: I should like to ask the hon. member for North Winnipeg (Mr. Heaps) who has just spoken, what he considers is the final object of this bill?

Mr. HEAPS: I have been in the house for a month or so but I am sorry that I do not know just what it is. I think it is to regulate and try to help the primary producers and to relieve them of the condition in which they now find themselves. Evidently there is to be regulation and control in some way of the production and sale of the things they produce.

Mr. GOLDING: And of prices.

Mr. HEAPS: And prices as well. I should like to revert to the point I raised a moment ago. I do not intend to deal with the details of the bill but I feel that the various factions in the committee have reached a stage where there is not very much between them. I was wondering if we could not get over that bridge. Perhaps the minister would be willing to adopt the suggestion made last night by the leader of the opposition. I should like to quote his remarks which appear on page 3316 of Hansard, as follows:

> If a similar change could be made with respect to part I of this legislation, whereby these local organizations might make reports to the ministry of conditions as they exist and the ministry take the responsibility of enacting legislation or passing orders in council which would be generally known and made generally applicable from coast to coast, then so far as I am concerned I would cease to have any opposition to the measure as a measure of an experimental character.

I do not think the request of the leader of the opposition was at all unreasonable and I would like to see the government accept his proposal. Perhaps then the measure could be passed without much further delay.

Mr. WEIR (Melfort): I do not intend to raise the question of offences and regulations, but I think the matter mentioned yesterday by the leader of the opposition represents only a difference of opinion as to its meaning. I think this bill contains exactly what the right hon. gentleman referred to. Under this bill the producers would submit to the minister in charge conditions as they find them with suggestions for improvement. These are submitted to the cabinet and we act on those suggestions, or otherwise.

Mr. HEAPS: Is it the contention of the minister that what the right hon. leader of the opposition suggested yesterday is already part of the bill?

Mr. WEIR (Melfort): According to my understanding of what he said, it is.

Mr. HEAPS: Upon what does the minister base that understanding?

Mr. WEIR (Melfort): Upon the language of the bill.

Mr. LUCHKOVICH: Am I to understand that all the opposition of the official opposition hinges upon this one point, namely, that the local organizations should make reports?

Mr. GOLDING: With reference to the remarks of the hon. member for North Winnipeg (Mr. Heaps). If I gather anything at all from his remarks, they were to the effect that this bill is going to regulate prices. I should like to say to the hon. member that I know something about trade unions. As a machinist, I have been a member of a union and I know something about the work of the unions. I know something about workers' conditions and I know something about the objects of trade unions. I might say that they have not always been as fair as my hon. friend represents.

Mr. MITCHELL: You are speaking about trade unions?

Mr. GOLDING: Yes. Discussing this bill yesterday, the hon. member for Winnipeg North Centre (Mr. Woodsworth) referred to farmers bringing in their wheat to an elevator. He pointed out that under present conditions if a farmer was not satisfied with the price offered for his wheat, he could not leave it at the elevator but had to take it home again. The hon. member for South Battleford (Mr. Vallance) corrected him. I should like to read the statement of the hon. member for Winnipeg North Centre, which was as follows:

> I am afraid my statement has been entirely misunderstood. My statement is that the individual farmer is helpless. He takes his grain to the elevator, and if there is room the elevator man will take it. But if the farmer is not satisfied with the price offered, or with any other condition, the only possible procedure open to him is to turn around and take his grain home again.
>
> Mr. Vallance: Will this bill change it?
>
> Mr. Woodsworth: Yes, this will change it.

I should like to ask the minister if he wants the impression to go out through the western part of this country that should this bill go into effect the farmer is going to get just the price that is satisfactory to him? That is the inference here. Not very long ago the minister pointed out that the primary object of the bill was not to regulate prices but to regulate the marketing of products. The inference in this statement is that the bill is going to regulate prices to such an extent that the farmer will receive a price satisfactory to him. I contend there is no such provision in the bill.

Mr. HEAPS: Perhaps it is not my position to do so, but I would point out that when you regulate the marketing of a product you will also be regulating the price. You cannot have one without the other. If you do not have a market, then you do not have a price. It may be somewhat out of place at this time, but the hon. member has referred to the unfair practices of trade unions.

Mr. GOLDING: In many cases.

Mr. HEAPS: Well, no organization is perfect.

Mr. GOLDING: You admit it.

Mr. HEAPS: I did not say that any organization was perfect, and I do not admit anything. I do say however that if the hon. gentleman were a good trade unionist he would take the opportunity of saying something in support of a measure dealing with unfair practices.

Mr. MITCHELL: I might ask the hon. gentleman this question. How would you deal with the present situation between the Imperial Tobacco Company and the growers? What are you to do about it? Where an organization overnight can cut in half the price of tobacco to the producers, unless you give the producers some opportunity to organize themselves they are lost forever. Let me say this to the hon. gentleman as a trade unionist. This year the British trade union congress will meet to celebrate the hundredth anniversary of the Todpuddle martyrs when men who tried to establish trade unionism were transported to Australia for seven years. That was the birth of the organization. When the history of these times is written it will be acknowledged, notwithstanding all the criticism that may now be made of trade unionism, that the trade unions have made a real contribution to the lives of the working people of Canada and of every other country in which the movement exists. The only difference between the Kaffir in Africa and the Canadian is that one had the sense to organize and the other had not. The trade unions have been the driving force behind social change in every country where

it has been exerted. I am not apologizing. We have made mistakes, because we are a human institution.

Mr. GOLDING: That was all I said.

Mr. MITCHELL: That is quite enough.

Mr. GOLDING: You admit it.

Mr. MITCHELL: No, I will not admit it.

Mr. GOLDING: You did admit it.

Mr. MITCHELL: Has the Liberal party made mistakes?

Mr. GOLDING: Yes, of course. In answer to my hon. friend, in regard to the tobacco growers—and all this is out of order—I would point out that we have a Combines Investigation Act which could have been invoked, and should have been invoked. In regard to trade unions, my hon. friend has admitted that they have made mistakes, and I admit quite frankly, as a member at one time of a trade union, that they sometimes did things that were not fair. Everyone will agree to that.

Section agreed to.

On section 2—Definitions.

Paragraphs (a), (b) and (c) agreed to.

On paragraph (d)—Minister.

Mr. MOTHERWELL: Can the minister give us any enlightenment as to who is likely to have charge of the administration of the act? Perhaps he can tell us why in this bill he has departed from the regular practice of indicating the minister, leaving us with a guessing competition as to who the hon. gentleman is to be. It is not a principle which I will make any fuss about, but I should be glad if he would tell us why the government has made this departure. So far as I know, it has been the practice in the past always to indicate what minister would administer the act.

Mr. GUTHRIE: My hon. friend may assume that in all human probability the administration of the act will be under the Minister of Agriculture. However, for greater convenience and some elasticity the bill has been drafted in its present form, as it is realized that agriculture is not the only natural product involved. I do not think I am going out of my way if I say that we may assume that the Minister of Agriculture will be the man.

Mr. MOTHERWELL: I will accept that as satisfactory but judging from the multitude of provisions in the bill, and the claim which so many ministers could easily put in for the task, I was anxious to ascertain whether it might be the minister of mass buyings and Yorkshire geldings who would be put in charge.

Paragraph agreed to.

On paragraph (e)—Natural product.

Mr. WEIR (Melfort): I move that paragraph (e) be struck out and the following be substituted therefor:

"natural product" includes animals, meats, eggs, wool, dairy products, grains, seeds, fruit and fruit products, vegetables and vegetable products, maple products, honey, tobacco, lumber, and such other natural products of the forest, sea, lake or river, and any article of food or drink wholly or partly manufactured or derived from any such product that may be designated by the governor in council, in accordance with the provisions of this act.

Mr. MOTHERWELL: It would be ungracious of me to criticize this, but it really is not as good as it looks. I like the list the minister has outlined as being in the main the easiest to start with. It is an excellent list and a better one than I suggested myself, but I merely indicated in a general way what I had in mind when I mentioned ten or a dozen items which could be enlarged by parliament and not by order in council as in the bill. However, we cannot expect a perfect bill and I will not press this point over much. I hope that the hon. gentleman will confine himself to this list for a year or two while others are being got ready. If he does that he will do well, because this is I take it in the main a guide to the country as to what the government has in mind with respect to the commodities that should be proceeded with first. Others can follow later.

Mr. BROWN: Before we hastily pass this list I think it should be given some consideration. On the title of the bill there was a good deal of discussion that might more properly have taken place under this clause, and it seems strange that those who spoke about certain natural products included in this list are not here now to reaffirm their objections to certain items which it contains. The thing of outstanding interest to farmers on the prairies is grain, particularly wheat. Can the minister say whether under the conditions that now prevail in the marketing of wheat there is any possibility of this scheme being put into effect in the immediate future in connection with wheat? We know that the government has entered into certain commitments with other countries with respect to the marketing of wheat, and that is one thing that might be taken into consideration. Some-

thing else that should be considered is that the marketing of wheat, as at present provided for, has developed over a long period of years. Since the beginning of the century certain grievances have arisen in connection with wheat marketing, and after a great deal of agitation on the part of the farmers with respect to some of these grievances the grain act was introduced regulating the conditions governing the marketing of wheat. That was followed by the Canada Grain Act. We would like to know whether there is any scheme that is to be put into effect that will in any way affect the operation of this very efficient body that has been created, the board of grain commissioners, a board that I think all the farmers of the west have perfect confidence in as regards its personnel. I believe the different boards of grain commissioners that have operated during the past have rendered very effective and efficient service. There was a great deal of unfair criticism against the former board. I was not by any means in sympathy with the criticisms that were directed against that board; I think they were mostly unfair and in some cases promoted by those who wished to cover up some of the mistakes that had been made by some of the organizations in carrying out the operation of selling wheat. But I think it is very important to know how this new board, if it is to be constituted, is to operate in connection with the present board of grain commissioners.

I want to state that the chief concern today is not in regard to marketing machinery in connection with our grain; it is in regard to getting markets for our grain and in this bill there is not the slightest indication of anything that will improve our markets. I know the claim has been made by those who advocate a one hundred per cent pool, that if they had only had control we would not have got into the difficulty in regard to marketing our wheat. As I stated before, any such claim as that is absolutely without foundation and absurd. I want to say this for the pools—and I have said it before—that they came upon a period of very hard times. Had the grain fluctuations been simply the normal, possibly the pools would have survived; they could not stand up under the tremendous fall in prices that took place. At the same time that does not justify those who are not only sympathetic but fanatically sympathetic toward the pools, in making the claim that they could have saved the situation if they had had one hundred per cent control. A more absurd claim could not be advanced.

I want to know from the minister just what the proposition is in regard to grain. Is there any likelihood under conditions as they prevail at present of advantage being taken, if it is deemed to be an advantage, of this bill to organize under it, or in view of the present situation is it wise, by including grain in this list, even to give the suggestion that the grain trade might be organized under the bill? As I have said already, to my mind the most important matter is not what our marketing machinery will be but where we are going to get markets for our grain and in this bill there is not the slightest indication of anything that will open markets to us. That is, after all, the point in which the farmers of the west are most interested and it is one on which they are under a good deal of misapprehension. There is undoubtedly a certain amount of support from the west for a marketing bill, but it is on the supposition that the bill is one that will get markets for our stuff. That is the thought which is uppermost in the minds of the farmers. That is true particularly in regard to grain; they suppose it is a bill that will do something towards securing markets for them, but in the bill there is not the slightest indication of anything of the kind. Therefore I would make the suggestion that in view of the present situation, grain be excluded from this bill. The government have made commitments. At the moment I am not going to say whether those negotiations that have been entered into and that have resulted in certain agreements may be good or bad; that is not the point at present. Those commitments have been made and in view of the present grain situation I suggest that it might not be wise even to indicate the possibility of the formation of a board to handle grain.

Mr. BOUCHARD: Will the minister tell the committee whether fibre and flax will be included in this along with other natural products?

Mr. WEIR (Melfort): My understanding is that they are not specifically included as the clause reads.

I do not know whether the hon. member for Lisgar (Mr. Brown) expects an answer. So far as I am aware—and my opinion in this respect is not worth any more than his—I know of no immediate contemplation of the formation of the compulsory pool to which he referred; and certainly not of one that would in any way interfere with the Grain Act as it stands so far as the board of grain commissioners are concerned, but at any rate the best safeguard is this, that before any such scheme would be put forward it would have to be put

forward by a large majority of the grain farmers. I am sure my hon. friend will agree with me that each farmer in the west is as intelligent as he or I and perhaps many of them are more so in ascertaining whether it is in his best interest.

Mr. CARMICHAEL: I should like to say something on this subclause, but it is almost six o'clock.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Mr. CARMICHAEL: Just before the dinner hour, Mr. Chairman, we were dealing with section 2, subsection (e), which reads:

"Natural product" includes animals, meats, eggs, wool, dairy products, grains—

and so on. I need not read the entire section. This is the amended subsection, by the way. The principle of this bill has been very throughly discussed on the second reading, and in fact I think the principle was discussed again on the short title. Heretofore I have not taken any part in the debate on this bill, and I do not believe I would have done so at this time except for the fact that the hon. member for Lisgar (Mr. Brown) raised the question of wheat prior to the dinner hour. The hon. gentleman rose in his place and advocated that wheat should be left outside the scope of this bill. I was rather surprised to hear him express himself in that way, but he was just expressing the views that I find recorded in a publication issued in Winnipeg called The Country Guide, under date of May, 1934. This publication contains quite an extended article, which I do not propose to read, which I believe was prepared by the board of the United Grain Gorwers, who ask that wheat should be handled separately They go on to point out why grain should be excluded from the marketing act, and when I turn to the editorial page of this same issue I find the editor expressing himself in these words:

The opinion expressed elsewhere in this issue by R. S. Law, President of United Grain Growers, that grain should be excluded from the provisions of the natural products marketing bill, will commend itself to the grain growers generally.

The hon. member for Lisgar expressed those sentiments fairly well; in fact I believe some of the arguments he advanced are quoted in this article almost as he gave them. I want to say, Mr. Chairman, that I come from an agricultural constituency; the occupation of my people is farming, and they grow wheat almost entirely. So when you advocate leaving wheat outside the scope of this marketing act certainly it touches the people whom I represent. During the past week or so I have received a number of telegrams, which I have before me, from wheat pool committees, wheat pool directors and one from the mayor of a town, I have a letter as well. All these communications are along the same line, and I am going to read the letter in order to set forth the opinion of the grain growers in my section of Saskatchewan. The letter is addressed to myself under date of May 7, and reads:

Dear Sir:

It has just been brought to my attention that there is a strong movement to have wheat excluded from the operations of the natural products marketing act.

The farmers in this community look with strong disfavour on any attempt that may be made to have wheat excluded from the operation of this act.

I sincerely trust we can look to you to use your good offices and influence to have wheat included—

Yours sincerely,
(Sgd.) William Shaw.

That is a good sample of the telegrams and communications I have received. So far as my personal opinion goes I certainly think wheat should be included with the other natural products. The hon. member for Lisgar seemed to think there might be a possibility that the board of grain commissioners would be set aside. I do not think that is likely to happen, or that the Canada Grain Act will be set aside. I believe both the grain board and the grain act will be used under the new marketing bill. For several years we have had in western Canada a wheat pool which functioned very satisfactorily until the great slump in 1929. Since that time they have not been functioning as satisfactorily or as fully. I want to state here most emphatically—and I think I am stating the opinion of a great many farmers—that the private interests handling the grain are not indispensable. A great many farmers hold the view, which I share, that private interests controlling and handling our wheat, such as the United Grain Growers, are not by any means indispensable. In other words it is quite possible for the farmers of western Canada to handle their wheat independently of any such organization as the United Grain Growers or any other private body.

In order to acquaint the committee with what transpired last year in connection with the prices of grain in western Canada I am going to quote a few statistics which I have

before me. I have here the prices for No. 1 Northern wheat in Winnipeg, the closing cash prices from January 1, 1933, to December 31 of the same year. Some interesting information is contained in those figures, and I think it bears very definitely on the question raised by the hon. member for Lisgar. I am not going to read the prices for the whole year, but I am going to deal with that portion of the season when the farmers of the west had very little grain in their possession and were marketing a comparatively small quantity of the 1932 crop. I will start with May 2, 1933. On that date the closing cash price for No. 1 Northern wheat at Winnipeg was 61⅛ cents. On June 7 the closing price was 61¼ cents, so that over a period of thirty-six days the price remained fairly uniform. There were some fluctuations during that period, but the highest price was 65½ cents while the lowest price was 61⅛ cents; that was the entire spread during that period. On June 8, however, the price began to advance steadily; on that date it was 62⅛ cents. Then jumping over to June 24 we find that it increased to 69⅞ cents. That is an advance of 7¾ cents in sixteen days. Well, there is nothing very alarming about that. But on June 26,—I believe the 24th was a Saturday, and there was no market on Sunday the 25th,—on Monday the 26th, the price was 74¼ cents or an increase of 4⅜ cents in one day.

Mr. YOUNG: Why the advance?

Mr. CARMICHAEL: We will take the figures first, and then deal with the possible cause of the advance. The day following the 26th, June 27, the price had jumped to 79⅛ cents, an advance of 4⅞ cents over the previous day. Then, the following day, June 28, the price had dropped to 74½ cents, representing a slump or a decrease of 4⅝ cents in one day. On June 30, it had further receded to 72¼ cents, or another 2¼ cents down in two days. July 1, was a holiday, and the next open market was on July 3. On that day the closing price had jumped up to 79⅛ cents, or an increase of 6⅞ cents per bushel over the holiday. Then, I shall jump over to July the intervening figures. On that date the price was 83¾ cents. On July 11, the next day, it was 88 cents, or an increase of 4¼ cents in one day. On July 18, a week later, it was 94 cents. I believe that was the peak, or the highest price it reached. Here is the point I wish to emphasize: Next day, July 19, the price dropped back to 87¼ cents, or a slump of 6¾ cents in one day. On the 20th, it had dropped back to 78¼ cents, or a slump of another 9 cents. Then, on the 22nd, it was back to 73⅜ cents.

The hon. member has asked why there were increases. It would have been just as much in order to ask why there were decreases. That is what a number of farmers in western Canada would like to know. They would like to know why there were these very great price spreads in the period of the year when there was very little wheat moving out of the bins of the producers. Of course there was some wheat stored on the farms, but it was a comparatively small amount. This question might well be asked: Why were there these fluctuations in price? The reason was that the crop prospects did not look any too good during the months of June and July, and what we may call the gamblers—some people would be more modest and call them speculators—got into the grain market and, through their gambling propensities succeeded in unwarrantably raising the price of wheat. But the part which gets a great many producers of grain is that the price of wheat should go up four or five cents on one day and then, perhaps one day after, drop back five or six cents. When we realize that a spread of even one cent per bushel in the price of wheat makes thousands of dollars for those who happen to be handling it, we realize the importance of the price changes. For instance, if a trader should sell 100,000 bushels of wheat with a margin of only one cent per bushel gain he would make $1,000 on the transaction. If the spread were, as in some cases I have shown, as high as nine cents per bushel, or even five cents, one can easily realize that on 100,000 bushels a dealer would make considerable money.

But what about the grain producer? It is true that some who got into the market did make money, but I could take hon. members to a great many homes in western Canada where farmers, and others, who were influenced to go into wheat speculation or gambling lost thousands of dollars, and to many of them that loss spelt almost tragedy. The 1933 crop was not harvested during the time of the quotations I have given; it was just growing. In Manitoba it would not be harvested until the early part of August, and in Saskatchewan until the middle or the 20th of August. On August 18, the price had dropped back to 68½ cents per bushel. Here is a point worth emphasizing: On May 18, wheat was quoted at 63⅛ cents per bushel and on August 8, following intervening fluctuations, it had come back to 68½ cents. But during that three months period, despite the

fact that at the end of the time there is a rise of less than five cents, there has been a fluctuation of over 30 cents a bushel.

I am bringing these points to the attention of the committee to emphasize the need for including wheat within the scope of this marketing bill. While the wheat pool is not functioning at the present time there are many farmers in western Canada who do not look upon it as a completely dead issue. It is true that in 1929 the wheat pool suffered financial reverses, but so did the private grain trade. There are men in western Canada who were involved in the handling of grain, either as private companies or private individuals, who suffered very heavy losses during the 1929 slump. The farmers in my constituency —and I believe I speak for the great percentage of the farmers in Saskatchewan—are expecting that times are going to become normal in the future, and perhaps in the not too distant future. When times become normal those farmers want the machinery at their disposal so that they may be able again to set up a farmers' marketing organization, if they choose to do so. There is no threat that they are going to do so, but they just wish to have the machinery available so that if they come to the point where they wish to organize a wheat pool and have it functioning as it has functioned in the past, they may have the machinery available for so doing.

I have made these remarks largely in answer to the expressions of the hon. member for Lisgar (Mr. Brown). I wondered why he took the stand he did take. I do not think he is so close to Winnipeg that he needs to reflect the viewpoint of the grain trade. I believe his is an agricultural constituency, although possibly it is not devoted to grain growing quite as extensively as is my own constituency. In any case, I do not pretend to give his reasons for advancing his arguments. I wish to emphasize my own argument, namely, that the people I represent want grains included in the marketing bill, and they insist upon wheat being included within the category of grains.

Mr. BROWN: The hon. member for Kindersley (Mr. Carmichael) has answered my remarks on the assumption that I was opposed to the wheat pool. Nothing of the kind, I was a member of the wheat pool. As long as I was raising grain and the pools were operating I gave my wheat to the pools, and it was handled by them. I have criticized the management of the wheat pools, although there was a time when, as the Minister of Railways said the other day, it was as much as a man's political life was worth to make a criticism. The wheat pools made a mistake, there is no question about that, and all I ask of them is that they admit their mistake. The wheat pool may be the proper way of handling wheat, and I have no objection to people joining together to handle their wheat through a wheat pool. My only objection has been to an attempt by legislation to force a one hundred per cent wheat pool on the people of the west. That is a sufficient answer to my hon. friend.

Mr. REID: I was particularly interested this afternoon when the hon. minister stated that he was still open to suggestions and that the door would not be closed to further amendments. I have an amendment to offer to the section under discussion, but before presenting it I would like to make a few brief remarks.

Practically all, if not all, the speeches made on this bill since its introduction into the house have been made with regard to agriculture with the exception of the speeches that were made by the hon. member for Gloucester (Mr. Veniot) and the hon. member for Comox-Alberni (Mr. Neill). I am not at all surprised that that should be the case because, first of all, we have this bill in charge of the Minister of Agriculture, and secondly I believe practically all the demand for marketing legislation has come from agriculturists throughout the country.

Some member suggested this afternoon that this act will be an experiment in legislation. The suggestion I am going to make to the minister is that we start by dealing with one product at a time. I have recollections of the great difficulties we encountered in British Columbia before our Milk Producers Act and Natural Products Act in the province became law, and I think the government would be well advised to go a little slowly and deal only with agricultural products in the first place because if the difficulties met with are the same that we met with in British Columbia before we reached a definite conclusion, there will certainly be lots of complications in the administration of this bill throughout the length and breadth of Canada.

I am of the strong opinion that no demand has come from the fishing industry or the lumbering industry to come under this bill. Perhaps these products are being included in the bill with the idea of applying quotas to them. I do not expect that the hon. Minister of Agriculture would know a great deal of the difficulties or complications that might arise if the canning industry in British Columbia through its representatives were to ask

for a board to be set up in that province. In British Columbia there are some forty-four canneries and well over five thousand gill net fishermen, most of whom own their gear and boats. The minister might say that these fishermen might get together and ask for a board to be set up, but so long as the bill provides that producers and marketers can come to the minister for a board my belief is that the marketers, the canned salmon industry, will probably be the first to ask for a board to be set up to control the product of fishing, namely, canned salmon. If such should be the case, I fear very greatly what might happen to the fishermen. The fishermen might want and did want to start a cooperative association of their own so that they could market their product. That association has not been in operation during the past year or so and were a board to be set up by the canners any movement on behalf of the fishermen for a cooperative association might very well be blocked, and the board that was acting on behalf of the canners might also control both the method of catching fish and the price of the product. I very much fear that that would not be in the interests of the fishermen.

I would ask the minister to tell me if any requests have been made on behalf of the fishing and lumbering industries to come under a bill of this kind. I know that the minister has had lots of requests on behalf of the farmers. I know that the apple growers, the fruit men and the milk producers of my province are demanding some sort of marketing legislation, but I doubt very much if any request has come to the minister from either of these other two industries, and I do appeal to the minister on behalf of the fishermen particularly to eliminate from the amendment now before the house some of the natural products contained in it, and that in particular the natural products of the sea, lake or river and forest be eliminated.

For the benefit of the committee I may say that there are some three hundred saw mills in the province of British Columbia, and I think I am correct when I suggest that probably ten of these mills produce seventy-five per cent of the total production. If the production had to be reduced by some ten or fifteen per cent I am of the strong opinion that the small mills would be the ones compelled to shut down. I urge this in all sincerity because I am not putting a hypothetical case, or setting up a straw man to be knocked down. I am stating what I believe to be the case from my experience. I maintain that so long as producers and marketers remain in the bill the danger I have suggested exists in regard to the fishing and lumbering industry, and I think the minister and the government would be well advised to consider dealing only with farm products at the beginning, and try the act out with regard to them. I doubt if any other country has gone so far at one jump as to include the natural products of the forest, sea, lake or river, and any article of food or drink, and agricultural products. If the act works out well for the farmers with agricultural products, which I am bound to admit do require some assistance, it might then well be extended to other industries, but I doubt if these other industries have asked for it. I would like the minister to tell me if they have.

I would also suggest that we might make better progress if we allowed the contentious clauses to stand and proceeded to consider the other ones. Will the minister consider eliminating from the amendment which he has offered the products of the forest, sea, lake or river?

Mr. WEIR (Melfort): I have not at hand any requests that have been made from either the fishing industry or the lumbering industry. There is no doubt that if the fishermen or the fishing industry do not feel that there is any need for the application of this part of the bill there will be no local board set up.

I would ask the hon. member for New Westminster to consider this other phase, if the marketing of fish, for example, or the fishing industry is everything that could be desired? Does he not think from his closer contact with the industry from his location than some of the rest of us have that it might be possible in some way for the Dominion Marketing Board to be of assistance to the fishing industry without the application of this particular method of submitting a scheme? No scheme would be set up unless a majority of the fishermen or of those engaged in the industry asked for it. So they are protected in that way.

But aside from that I gather from debates that I have heard in this house about the condition of the fishing industry, and from the suggestions that have been made to improve it that the Dominion Marketing Board might be able to be of great assistance to the fishing industry, but for that purpose the definition would have to remain as it is.

Mr. REID: Perhaps the minister has not caught my point. If you retain in the bill the words "producer" or "marketer" you make it possible for a marketer to ask for a board to be set up, as distinct from the producer who could also ask for a board and you also make it possible for a "producer and mar-

keter" to ask for a board. There are three distinct bodies. There is the producer as a producer, the marketer as a marketer, and there is also the producer and marketer, because some products are both produced and marketed by farmers and others. I do not think the minister caught my point as to the fishing industry. In British Columbia you have, on the one hand, the producer, the fisherman who owns his own gear and boat, at considerable cost. He produces the fish and then another man or a company purchases them and markets them. I was thinking of a marketer coming to the minister and asking for a board to be set up to be distinct from the board set up by the producers. I think there is great danger in that and I doubt if such a board set up by the canners would be of any benefit to the fishermen. We now have all kinds of rules and regulations and inspections to govern quality and I do not think such a board would improve matters. I do not know whether the minister has got my point with regard to the producers, on the one hand, and the marketers on the other; the fishermen, on the one hand, and the cannery men on the other.

Mr. WEIR (Melfort): I understand it.

Mr. NEILL: I must endorse the stand taken by my colleague from British Columbia (Mr. Reid) and also by the hon. members for Gloucester (Mr. Veniot) and for Shelburne-Yarmouth (Mr. Ralston) and I think by two or three hon. members from Quebec. It has been asserted that hon. members on this side are attacking this bill for political reasons, an "agin the government" sort of thing, but when hon. members like the hon. member for Lisgar (Mr. Brown) and the others I have mentioned ask the government to delete wheat, fish and lumber from the provisions of this bill, I think it is evident that at least they are convinced that it is desirable that these industries should be left out. The Minister of Railways and Canals (Mr. Manion) has spoken of taking our political lives in our hands; we certainly are doing that in taking this stand unless we have the backing of the industries concerned. I have not had one single request in any way, shape or form from fishermen to support this bill. The minister has said that it will not be brought into effect unless a majority of the fishermen ask for it but with all due deference I must tell him that as long as it is open to the marketers to ask for a board and get control of the industry, there will be danger to the fishermen. In addition there is the vista opened up by section 9. If I thought for one moment that the fishermen were not backing me up unanimously or at least ninety-nine per cent—I will take a chance and say a good many of the canners as well—I would not be taking this stand. The hon. member for New Westminster stated that a year or two ago the fishermen entered into cooperation but that that was no longer in existence. That was in connection with running a cooperative cannery. But they spread themselves too much and had not sufficient capital to face the depression, so the thing fell through. However, they have now cooperation of a kind I should like to bring to the attention of the committee. It is not coercion, it is not socialism or anything like that, it is something they are doing for themselves. All they ask is that they be left alone to carry out their own scheme. I should like to quote from an article which appears in the Cooperative Union of Canada. This body might be described as the C.U.C. as against the C.C.F., and I think it is a rather more practical body.

The CHAIRMAN (Mr. Gobeil): Is the hon. member speaking on the amendment to the amendment?

Mr. NEILL: Absolutely.

Mr. STEVENS: We have not heard it yet.

The CHAIRMAN (Mr. Gobeil): Mr. Reid moves that section 2, subsection (e) be amended by striking out the word "lumber" in the fourth line and "forest, sea, lake or river" in the fifth line thereof.

Mr. McINTOSH: Lumber is in the third line of subsection (e), if that is what you are talking about.

The CHAIRMAN (Mr. Gobeil): It is in the fourth line of subsection (e) after the word "tobacco."

Mr. NEILL: In my own feeble way I am trying to support the amendment. Is there anything wrong with that? I am trying to give the reasons why the minister should accept the amendment to the amendment proposed by the hon. member for New Westminster.

The CHAIRMAN (Mr. Gobeil): The amendment to the amendment had not been regularly put to the committee.

Mr. NEILL: Has it now been regularly put?

The CHAIRMAN (Mr. Gobeil): Yes.

Mr. NEILL: Thank you, I will continue. The article to which I referred reads:

The Kyuquot Trollers' Cooperative Association, which was recently admitted to the Cooperative Union of Canada, was organized in February, 1931, after a long period interrupted by strikes and price disputes with private buyers. According to a report published in the Canadian Co-operator, March, 1934, the membership in the new association has increased to 200 fully paid shareholders at $25 a share, and well equipped stations have been established at Kyuquot, Quatsino, Nootka, Ucluelet and Bamfield, covering the fishing grounds of the west coast of Vancouver island from cape Beale to cape Scott. President E. Larum reports as follows:—"We started chiefly as producers, but shortly after incorporation opened a general store on our Kyuquot and Nootka floats. We are this winter building a modern store and office at Kyuquot. Each of our members owns and operates his own boat and gear, with a value of from $1,500 to $3,000. The fishermen deliver their daily catches to the stations of the association, where they are weighed, iced, and held until transferred to the association's chartered diesel fish-packers running on schedule to the markets at Victoria, Vancouver and Seattle, U.S. The fishermen receive at each delivery a statement of the weights, and on return of the packers each received his payment according to market prices. In the three years the association has operated we have averaged a yearly production of 1,000,000 pounds of spring and cohoe salmon at an average yearly value of $150,000, with operating expenses $40,000 a year, much of which is duty on fish marketed in the United States and selling commission. The cooperative marketing of our fish proved a success right from the start, as well for the producers as the buyers. The fishermen have learnt to take better care of their fish, and have wholeheartedly given the management their support in putting a quality product on the market. Our fish is now known to be of the highest quality, and for that reason brings the highest prices."

This association has made a gallant start and has done well during the years of the depression but we are now going to unload on it the obligations and the machinery and the regulations of this bill. The minister has said that they do not have to go in, but they will have to go in if the word "marketing" is left in the bill so that the marketers can get control of a board. Kyuquot is out of touch with telegraphic communication although I am in negotiation with the Minister of Marine (Mr. Duranleau) with a view to getting some form of wireless communication installed. At the moment it has no telegraphic communication and this association will be hampered at every turn. It will have to refer to some board located somewhere else to see whether or not it can do this or that. Suppose the board is located at Vancouver and in its judgment—we cannot always impugn their judgment; it may be animated by what it thinks is in the best interests of the industry—it thinks it desirable to get the dominion board to make a rule that no salmon is to be exported from Canada. Everyone in British Columbia connected with the fish business knows that such a ruling has been the ambition of the canners for many years. They have achieved that ambition so far as sockeye salmon is concerned but they want to have it extended to all salmon. Supposing such a regulation is put into effect, what will become of these people? Under section 8 they are liable to be subjected to the control of not one, not three but five boards. Under section 8 the governor in council, on the recommendation of the minister, may approve of a proposal for:

> The creation of a new local board to regulate the marketing of a product already subject to regulation by one or more existing local boards, provided that the existing local board or boards approve and that the powers of the new local board can be exercised consistently with the exercise of the powers of any existing local board or boards.

There may be two local boards in existence. Under subsection (d) the minister may make another board, which makes three. Then we have the provincial marketing board and the dominion board as well. Is it any wonder that we who are trying to help these fishermen and lumbermen say, "For heaven's sake, leave us alone." The lumber and fishing industries, we know, are badly off enough. The fishing industry is in a parlous condition, but it will not be improved by making things worse along the lines indicated here, and the minister himself has indicated that he has received no requests.

Mr. WEIR (Melfort): I did not admit that; I said I had no requests before me.

Mr. NEILL: What does that mean? Has the minister had any?

Mr. WEIR (Melfort): Personally I have not, no.

Mr. NEILL: Well that was what I understood the minister to say. At page 2952 of Hansard he said the other day that in one instance the producers themselves suggested a certain thing, and he said he had representations from British Columbia organizers. That, however, refers to the milk and fruit business; it does not refer to the fisheries. If the hon. member for New Westminster or I were alone in taking this view it might be said that we were animated by an improper motive or by crank ideas. But when almost every man on this side of the house representing the fishing industry begs the minister to leave that industry out of the bill and not give us its blessing, he might well consider that request. Would it not be well,

as the hon. member for New Westminster has suggested, to let us try it first on the dog; let us try it on the agriculturists. I hope they will pardon my rough metaphor, but they know I mean well. I do suggest however that we should begin with one industry, trying it on agriculture who have asked for it. But for heaven's sake leave the fishermen alone.

Mr. STEVENS: I think the view taken by the hon. member for New Westminster and the hon. member for Comox-Alberni represents a pretty wide stretch of the imagination. There is nothing in the bill that will, as my hon. friend says, force this upon any group of operatives, either in the lumber or in the fishing industry. The bill is very clear in that regard; there must be a request for it from the operatives. The hon. member who has just taken his seat (Mr. Neill) says, "But those interested in marketing may ask for a board."

Mr. NEILL: Yes.

Mr. STEVENS: Well, that is quite true. I gather from the portion of the discussions I have heard that it is perhaps dangerous for me to suggest possible cases, because they will be seized upon and distorted into my declaring that it is the intention to do this or that. But if hon. gentlemen will permit me to illustrate, without charging me with having in the back of my mind, or suggesting that the Minister of Agriculture or any other member of the government has in the back of his mind, any intention of doing this or that, I could illustrate possible circumstances where it might be highly desirable and in the interests of industry to have some body or organization that could deal with a given situation. In what I am about to say, I wish it clearly understood—I emphasize this—that I am merely giving an illustration.

On the Pacific coast we have had very serious difficulty in connection with the export of herring, owing entirely to conditions beyond our control. I do not like to discuss this matter, and I hope it will be taken in the proper way. In the orient there has been a conflict of view between Japan and China—we will be frank about it. As a matter of fact China, which is a very important market for this product, imposed a local boycott upon herring coming from British Columbia because it was alleged that, in part or in whole, they were packed or handled, or owned or marketed by Japanese nationals. Now, that quarrel has nothing to do with us, but I can assure hon. gentlemen that it created a situation which presented a very great difficulty to my own department. We had to handle it with a rather delicate touch, and I may say that it was perplexing. I can quite understand that under such circumstances the functioning of a board such as might exist under the act could very well handle a situation of that kind. In fact, I can see clearly where it might be of great advantage, without in the slightest degree interfering with the producer of herring. I will give another illustration.

Mr. NEILL: Can the minister explain how the board could handle it to advantage?

Mr. STEVENS: Yes. I will go a little further, but again I warn my hon. friend that I am not stating what is likely to occur; I am merely speculating, trying to illustrate the situation. In the incident to which I have referred it was necessary for us to give assurances to certain sections of the market in the orient that the goods were not packed by a certain class of people in this country. As I say, in a measure it was none of our business; but, in the interests of the industry at the coast, we felt that it was our business as far as possible to secure the data and give the assurance, and with the assistance of the different parties in the transaction we were able to do so. In that way, I think, a board such as could be erected under this act would be of exceedingly great value, because its certificate would be accepted in all probability by the country to which the goods were destined.

I will give another illustration, and I ask the house not to request me for the moment to specify. I can do so if it is considered desirable, but I do not regard it as desirable to be specific in public. I have in mind a country in Europe—there are several, but there is one in particular which I have in mind, and an important one—which has placed a specific quota on imports into its market. Now, that is not something of our doing, but something which in their wisdom they have put into execution. Now when we approach the marketing season, obviously it is desirable as far as possible to arrange with the Canadian exporter to fit into the demands of that important market. That is done to the best of our ability. It is fraught with great difficulty and many perplexities, and there is great danger that if it is perpetuated and goes on year after year, or if the quota were narrowed a bit, it might be so perplexing as to involve perhaps unfairness to some exporters as against others.

Mr. NEILL: You are referring to canned salmon.

Mr. STEVENS: Yes, and I would ask that I be not requested to be too specific because it is not desirable. But there again it is necessary that we should have some organization to meet the exigencies with which we are confronted because of the actions of another country. I have in mind another situation, and it is applicable to fish, where there has been a contraction of the market, but where with the assistance of a board of this kind it might be possible to encourage or to develop export. I am myself giving that some study at the moment.

I can assure the committee that I can see changed conditions with which we are confronted all over the world in the matter of trade and the admission of goods into other countries, and with these changed conditions it may become absolutely imperative that we should have other machinery than the somewhat loose methods which under normal conditions might prove satisfactory or which in the past have proven fairly so.

Both hon. gentlemen who have preceded have referred to the products of the forest. I really see very little likelihood of there being any demand in that respect. Within the last year we have been confronted with a problem in connection with one of our largest manufacturing products—I do not wish to specify. We have been confronted with a condition of absolute chaos within the industry, and again this is due in large part to new conditions which have come into existence outside the control of the government of this country. We have had no machinery to deal with the situation. We have had no powers to meet it, but, I can easily appreciate that it is quite possible we might be of very great assistance to a Canadian group who were exporting in a large way from both coasts—and as a matter of fact there has been a condition of warfare between the two coasts in this particular product. Now, a marketing authority such as might come into being under this act, at their request, could act as mediator and conciliator between the two conflicting bodies of interest.

I express my own conviction—because I quite appreciate what both hon. gentlemen have in their minds—that there is no possibility, perhaps I should say no probability of there being any onerous obligations imposed upon any group against its will by reason of the passing of this act. I cannot conceive of anything of the kind being even remotely possible. Both hon. gentlemen who have spoken rather emphasized the rights or liberties of the individual fisherman. I can say this, that with the principle that runs through this act I cannot see any possibility of anything being imposed upon any individual or class of operatives against their will. And as for there being any danger that the board might, in directing marketing, in its turn reflect or impose its will on the producer,—that is, I believe, the real apprehension in the mind of the hon. member for Comox-Alberni—one could conceive of an extreme condition under which it might go to the extent of doing that. But I should say that it would be completely foreign to the intent of the bill, and I cannot conceive of such an authority doing so. Certainly if that should happen there would easily be an opportunity to deal with it at the first session following such an act.

I feel impelled to say this—and I know I carry the judgment of my colleagues—that there is no thought in the mind of the minister who has charge of the bill or in the mind of any of his colleagues that there shall be erected a board which shall, in conflict with the wish of those whose business comes under it, act in any way antagonistic to their interest. I do see however where, in this changing condition with which we are daily confronted, such a board might be very useful in both these industries.

Mr. NEILL: I appreciate the moderate tone which the Minister of Trade and Commerce has adopted and I will try to meet him in the same spirit. We agree with him entirely that the minister is animated by a proper desire in putting through this bill, and hopes and believes that nothing but good can come out of it. But when you are dealing with legislation you must contemplate, not what a minister designs and hopes and intends, but the use which other people may make of your legislation, human nature being essentially selfish.

As regards dried salted herrings for the oriental market, the minister said that the board might give certificates to the effect that the product was entirely handled by certain people, and so on. But that is done now. There is an inspection system under the Department of Fisheries and none of the product goes away without a certificate clearly indicating its quality and origin. The business is passing altogether into the hands of the orientals anyhow, and I am not particularly concerned to see that continue.

The minister was on sound ground when he brought in the question of the quota. That is above all one defence and justification and

reason for the bill. If the British or some other nation say, "We will cut off your quota of meat, butter, cheese, or whatever it may be", then we must have some machinery to handle that situation; and the argument of the Minister of Trade and Commerce was at least sound in that regard. But I would make this reply to him. Canned salmon is comparatively a small industry, in the hands of a few people, and it is held almost entirely on the Pacific coast. There are only two nations that have any suggestion of a quota at the present time. Last year I believe there were some thirty-four or thirty-five canneries operating in British Columbia. There is an association knows as the Canned Salmon Section of the British Columbia Manufacturers' Association, and I think there are only twenty-one or possibly twenty-two members. So that if it developed that a certain nation was putting a quota on canned salmon it would be easy for that private association to get together and regulate the supply and they would do it in a far simpler and easier way than it could be done through a board of this kind. That, I think, meets a good deal of the argument put forward by the Minister of Trade and Commerce.

I wish to give one further illustration to show why these people want to be left alone. Before I discuss that however I would refer to what the minister said in reference to lumber. He expressed the opinion that it was not at all likely that there would be any demand for a board. If he does not think that it will be asked for, and if the lumbering men have not asked for it, why not leave it out and have one trouble less for the minister who will be in charge of the act? However, coming back to the cooperative association, and cooperation is supposed to be the basis of a good deal of this act, like all business men they must look ahead. In shipping fish to the market they engage diesel fish packers running on schedule. The contract, as I happen to know, for taking this fish in the months of May, June, July and August is made the previous fall, probably in November or early in December. Next fall, if this bill is in effect and this cooperative association undertakes to make a bargain to get these packers running to schedule, what guarantee will they be able to give? Suppose they want to ship a million and a half pounds of fish next year; they cannot guarantee that they will be allowed to ship the fish to the United States or anywhere else, nor can they guarantee any fixed price or quantity. What is the packer going to do? He will insist upon something definite. He will then be told that the consent of the board will be obtained. But it is hard to get the consent of a board recently established to deal with conditions that will exist nine months in the future. Possibly they might have to go to the dominion board at Ottawa, and these men have neither time nor inclination, nor do they see the necessity for anything of the kind.

I cannot put the situation too strongly, and it is backed up by almost every representative of the fishermen in this house. Is not that full of significance to the minister? Would not some of them get up and say that in their particular districts the bill would be of benefit to the people they represent if that were really the case? The fishermen have made no request to the minister, so I wonder if he could not let this stand over and make some investigations of his own. Let him send out word to British Columbia through the acting Minister of Fisheries; let him ask the president of this cooperative association what he thinks. He is entitled to be heard. I have not his opinion on the subject, but this would affect him or at least the association which he represents. Ask the canned salmon association; they would be entitled to give their views, but do not take such extremely drastic action in connection with an industry which is peculiarly ill adapted to come under the act and which does not appear to have been considered by the men who drew it, without giving the matter serious consideration. It is quite evident that this act was framed having regard to agricultural products in the main, and it is not suited to the problem of fish.

Mr. GANONG: Mr. Chairman, in my constituency more people depend for a livelihood on fishing than on any other industry, and the fishing of sardine herring is the most important branch of that industry. The greater part of these herring go to the canning factories of Eastport, Maine, which pay only on the number of cases they can pack out of the fish they receive. Our fishermen have no chance at all to check up as to how many cases they do pack. Several times they have tried to form an organization in order to protect themselves, but with hundreds of weirmen it is easy for the factories in Eastport to persuade some of them to sell their fish on the basis of the number of cases packed, and as soon as one or two weirmen do it all the others have to follow. This marketing bill will give these fishermen the opportunity they have been looking for to unite, if they see fit to do so, in order to have some control not over prices but over

the way their fish are marketed, and the quantity they have to market. To-day they may ship their fish to Eastport, and they may be told that the fish were not fit to pack or perhaps that they had to be put into fertilizer, for which they would get little return. Coming from a fishing constituency I think one of the first applications to this board will be from the sardine fishermen of Charlotte, and I would regret very much indeed to see the fishermen excluded from this act.

Mr. DUFF: In answer to the hon. member for Charlotte (Mr. Ganong) may I say that there is no need of any such act as this, if the fishermen of his constituency wish to get together and decide where they will sell their fish, to whom they will sell them or what quantity they will sell. That can be done by local organizations in a cooperative way, and this board is not necessary at all. So far as I am concerned I am going to take only a few minutes of the time of the committee, because I have come to two conclusions. The first is that a majority of the members of this parliament are going to pass this bill, and the second is that the quicker the bill goes into operation the better it will be, because inside of two or three months the government and members of parliament, as well as the fishermen, the lumbermen and the farmers who come under this bill will be praying to God for the government to repeal the act.

Mr. SPOTTON: Let us carry it.

Mr. DUFF: That is what I say, but as I have not spoken in the committee previously perhaps my hon. friend will allow me to say a few words, because the province of Nova Scotia is interested in this legislation. I take it from what was said a moment ago by the Minister of Agriculture, who is in charge of this bill, and by his colleague, the Minister of Trade and Commerce in reply to the hon. member for New Westminster (Mr. Reid) who moved this amendment striking out fish and lumber, that the fishermen need not come in under this bill unless they so desire. That is my first point. Now I turn to section 9 of the bill, which reads:

> Notwithstanding that no petition in relation to any natural product has been filed, the minister may, if he is satisfied that the trade and commerce in the said product is injuriously affected by the lack of a local board to regulate such product, at any time propose a scheme for the marketing of such product—

Surely if what was said by the Minister of Trade and Commerce and the Minister of Agriculture a moment ago is correct, and no one need come under this scheme unless they so desire, section 9 should be eliminated from the bill. My second point is that the minister said that no fishermen need come under this bill unless they so desired and unless a majority of the fishermen asked to do so. If that is so, and the fishermen, the farmers or the lumbermen need not come under the bill unless they wish, why is it necessary to put the producers to all the trouble set forth in this bill? For instance, the bill requires any or all persons engaged in the production or marketing of the regulated product to register their names, addresses and occupations, not only those who wish to come in under the scheme but everyone, whether they come under the scheme or not. They must register their names, addresses and occupations with the board. My hon. friend from Comox-Alberni (Mr. Neill) must laugh at that. How are you going to get the fishermen scattered from Ketchikan to the Fraser river to register? You will need an army of officials.

Mr. MACKENZIE (Vancouver): A census.

Mr. DUFF: You will have more than a census; you will need the election enumerators they are going to appoint next month. Then every fisherman has to obtain a licence.

Mr. WEIR (Melfort): Only those who of their own volition submit a scheme will be asked to do so. I think the hon. member is under the impression that these things are compulsory if there is no scheme. If the fishermen of Nova Scotia submitted a scheme which they thought would be to their advantage in the marketing of their fish, it is optional whether or not there will be a poll. There might be organizations set up in which there would be no poll and no compulsion, but we will take the case which I believe the hon. member has in mind. If the scheme submitted asked that a poll be taken in order that a vote might be secured to see if a majority were in favour of such a scheme, in which the others would be forced to participate, even then it might not be a part of that scheme to have these people registered or licensed. I agree with the hon. member that in many cases it might be almost impossible to take a vote, but that would be dealt with at the outset. I wish to emphasize the fact that this registration would only come about when the scheme submitted by the producers themselves requested that this should be done. Perhaps it was not necessary for me to make these remarks, but I thought my hon. friend misunderstood me.

Mr. DUFF: Perhaps the act is not very well drawn or I do not understand it, but here is what it says:

The board shall—have power—to require any or all persons engaged in the production or marketing of the regulated product to register their names, addresses and occupations with the board, or to obtain a licence—

That is not any or all persons who come under the scheme, but all persons having to do with the product.

Mr. WEIR (Melfort): The word that covers what I have said is the word "regulated." It is only in connection with a regulated product, and we can only have a regulated product when a scheme is set up.

Mr. DUFF: That is in another subsection. But this paragraph (f) is not required at all. It provides that all persons shall register their names, addresses, occupations, and shall take out licences. That is certainly clear language. If the minister states he will amend that so that it will refer only to those who come in under the scheme—

Mr. WEIR (Melfort): Let me explain.

Mr. DUFF: I think we understand it.

Mr. WEIR (Melfort): No, I am afraid not. In the same section the hon. member is reading appear the words "regulated product." The basis of the whole subsection turns on these words "regulated product," and those words apply only where a scheme has been set up.

The CHAIRMAN (Mr. Gobeil): May I remind the committee that we are now on section 4, and that it would be preferable to continue discussing it.

Mr. DUFF: Let me go a little farther. The minister said that no fishermen would be required to come in under this scheme unless they did so by a vote. As an example, let me take the province of Nova Scotia, and ask the minister whether he will have only one local board in that province, so far as the fishing industry is concerned, or how does he propose to find out whether the fishermen desire to come in under the legislation?

Mr. WEIR (Melfort): That would be for the fishermen themselves to say. If they felt that they wished to join together, in the way we have explained, they themselves would bring the matter before the dominion board, and through it to the dominion government.

Mr. DUFF: The point I am getting at is this: Does that mean that all the fishermen of Nova Scotia—or 60 per cent, or 70 per cent, or a majority—will have to decide to come in under the scheme before the board is appointed, or does it mean that every locality in Nova Scotia can vote to come in under the scheme and each ask for a local board?

Mr. WEIR (Melfort): One scheme might be submitted from a particular locality in Nova Scotia. But if another scheme were proposed, another local board suggested, and the scheme submitted to the provincial government, if it had to do with purely domestic trade within the province, I have no doubt these different groups would combine into one group. What the hon. member suggests is possible, but I would say it is not conceivable.

Mr. DUFF: I am afraid the minister does not understand the situation, so far as the fishing industry is concerned. Let me explain to him that there are at least two hundred localities or fishing ports in the province of Nova Scotia in each of which there are anywhere from, say, fifty to one hundred or more fishermen. In some cases perhaps there may be five hundred or one thousand fishermen. But, as I have said, there are two hundred different fishing localities. I understand from the minister that in each of these two hundred places the fishermen may get together and decide by their vote either to come in under the scheme, or to stay out. And if they do decide to come in under the scheme, then in those two hundred places there will be two hundred local boards and all situated in the province of Nova Scotia, and in the fishing industry alone. Is that right?

Mr. WEIR (Melfort): They could not come in of their own volition, even if they had voted and decided to come in. Their scheme would have to be submitted to the dominion board, and through it to the governor in council. One of the conditions might or might not be that a vote would be taken. That is not the only way in which assistance could be given to the fishermen. Assistance might be given by the dominion board itself, because its jurisdiction in matters of export trade would be interprovincial. Outside of any vote being taken whatever, if on investigation or as a result of representations to the dominion board it were shown that some action by the dominion board might be taken to assist in the marketing of fish, or to assist in any other way in the fishing industry, action could be taken without reference at all to the small localities or the individual fishermen.

Mr. DUFF: The minister has not answered the question regarding these two hundred localities which may call their fishermen together and have a vote, each locality decid-

ing to ask for a local board. These localities are scattered throughout a long coast line. For instance, they cannot deal only with one local board. If this scheme is to work they must have local boards of their own. If in each locality they vote for a local board, and to come in under the scheme, will a local board be set up?

Mr. WEIR (Melfort): If that is what they wanted, and if in a particular locality a condition existed as a result of which the fishermen in that locality felt that they could be assisted, their request would be given consideration and might be approved. But it would be effective only in that locality alone. If there were a number of other localities which wished to do the same thing and they organized for provincial trade, then I would say there would be no difficulty in having them so organized by having one vote to unite them all.

Mr. DUFF: If there were only one local board in Nova Scotia, so far as the fishermen were concerned, where would that local board be situated, and how would the fishermen keep in touch with the local board, or the local board with the fishermen?

Mr. WEIR (Melfort): If a scheme were to be set up in that particular way, it would be set out as shown here in the bill. When the scheme is submitted they will state where the headquarters are to be, the personnel of the board, how the board is to be selected, and so on.

Mr. DUFF: That is what I am trying to say to the minister, namely, that if the fishermen themselves, the government or the dominion marketing board decide there shall be only one local board—and for the sake of argument we will say it is to be at Halifax, which is fairly central—that board would be three or four hundred miles away from one part of the province, and about two hundred miles away from another part. Along that coast line, both east and west, are perhaps two hundred fishing villages and towns. I say to the minister that either he has got to have a local board in every fishing district—or practically every fishing district—or the thing would be absolutely unworkable, even if the scheme were good. That is the point.

And here is another point: Let us suppose, for the sake of argument, that in fifty fishing settlements scattered along the Nova Scotia coast line the fishermen met and a majority decided to come in under the scheme. Then, in the other one hundred and fifty settlements we would suppose that the fishermen do not want to come in under the scheme; they do not meet, and they do not vote. Now then, the minister is going to set up either fifty boards or one board for those fifty settlements, which have intervening settlements not operating under any scheme. If that is done, under this measure how is the minister going to help the fishermen, so far as prices or the marketing of their goods are concerned, because the fact would be that three-quarters of the fishermen are outside of the legislation, and as a matter of fact have not asked to come under it? Only one-quarter of the settlements along the Nova Scotia coast line have asked, by their vote, to come in. That scheme, unless under clause 9 the minister forces the remaining one hundred and fifty settlements to come in, would not apply to all. How would it work if, as I said a moment ago, it is left to the fishermen themselves to decide, and if only fifty settlements out of two hundred decide to come in, the remaining one hundred and fifty deciding to stay out? The one hundred and fifty settlements would be able to sell their fish at whatever prices they wished, when they wished and to whom they wished. But under the scheme the remaining fifty operating under the local board would be put in a disadvantageous position. Could the minister tell us how he would work that out?

Mr. WEIR (Melfort): Again, of course, it is a hypothetical case.

Mr. DUFF: No, it is not a hypothetical case.

Mr. WEIR (Melfort): I take it that it is.

Mr. DUFF: Oh no, it is not, at all. It is a practical illustration from real life.

Mr. YOUNG: Hypodermic.

Mr. WEIR (Melfort): It is a hypothetical case in that it is not an actuality now before us to decide upon. But to answer the question, those fifty have a problem before them and they would know when they submitted their scheme, and when they voted, that it was for their own particular difficulties and locality. They feel that by the fifty combining together they could improve their conditions independent of the others. It would be only on that basis, I take it, that they would submit such a scheme.

Mr. DUFF: Before the minister included fish and fish products he must have had some idea that this bill was going to benefit the fishermen. How did he arrive at that conclusion? I have had some experience in the industry myself and I am serious when I say to the minister that I do not believe this will benefit the fishermen one iota. You are only going to put impediments in the way of the fishermen selling their products.

Mr. STITT (Selkirk): Mr. Chairman, when the hon. member for Comox-Alberni (Mr. Neill) stated that it was the unanimous idea of the members of this house that lumber and fish products should be excluded from the operation of this act he certainly was not speaking for me. I am very much opposed to the amendment proposed by the hon. member for New Westminster (Mr. Reid). In my riding last year the conditions in the fishing industry were so bad that the provincial government of Manitoba held an investigation. It might surprise hon. members of this house to learn that there was perhaps over a million dollars' worth of fish produced in my riding a couple of years ago. If the amendment of the hon. member for New Westminster carries it will mean that the fishermen in my riding will have no redress whatever because most of their product is exported to the United States, and therefore it must come under dominion jurisdiction.

I think that the arguments of the hon. member for Comox-Alberni are not worthy of very much consideration, especially when he says that the hon. minister may permit an order to be made that no fish shall be exported from Canada. I never heard such an absurd statement in this house. You talk about human nature and its selfishness. Well, we have a situation existing in this country at the present time where citizens of Canada who are producing the products of the soil and working in the lumber camps or in the factories or in the fishing industry are practically in a state of starvation, in a state of slavery, and yet hon. members stand up in this house and talk about freedom. I heard the hon. member for Ontario the other afternoon lighting the lamps of all the failures of the past to try and prevent this government from enacting this progressive legislation. I think we have reached a situation in this country where the Liberal party as represented by the members in this house is no longer worthy of the name Liberal, and certainly they do not represent what I choose to call freedom. Freedom of the individual to starve, perhaps, and freedom of our industries to perish. There is a situation confronting us at the present time of superlative abundance, and yet we find poverty and chaos and bankruptcy.

Mr. McPHEE: Four years of Toryism did it.

Mr. STITT (Selkirk): What will it be four years from now if the people of Canada put so-called Liberals into power who know not the meaning of liberty or freedom, and who have no policy whatever. I think that any man with common sense can stand up and say to the people of this country that the true guardians of liberty and prosperity are to be found in the Conservative party and that the real Tories are over there.

Mr. CASGRAIN: What about South Oxford?

Mr. YOUNG: How is this bill going to help the fishermen?

Mr. STITT (Selkirk): My hon. friend from Comox-Alberni stands up and says: For God's sake leave us alone. I say, Mr. Chairman, For God's sake and in the name of charity let us bring some order out of this chaos. Let us try to improve conditions and make Canada a fit place to live in. I am ashamed of the Liberal party. I came to this house with a great many Liberal ideas and I still have them.

An hon. MEMBER: You are a Liberal.

Mr. STITT (Selkirk): Yes, a real Liberal, not a so-called Liberal, and when we describe the Conservative party of the present time we should underline the first part of the name, "Liberal"-Conservative party. It certainly seems to me an extraordinary situation when the right hon. gentleman who is leading the opposition at the present time, and who has been one of the greatest exponents of liberty, who wrote a volume of Industry and Humanity—

Mr. NEILL: Mr. Chairman, I rise to a point of order. Has the hon. gentleman's admirable treatise on the parties in Canada anything to do with this amendment?

Mr. STITT (Selkirk): It has a whole lot to do with it.

Mr. NEILL: It has nothing to do with it. I ask for your ruling, Mr. Chairman.

The CHAIRMAN (Mr. Gobeil): On the point of order I have been of the opinion that this committee has been out of order about half the time. I would ask the hon. member to confine his remarks to the amendment.

Mr. STITT (Selkirk): After the provincial government held an investigation into the fisheries of Manitoba it is rather strange that without any operation of law whatsoever, and simply because the government gave some indication that they would act, the fishermen got a higher price for their product.

Mr. BEAUBIEN: That is because we have a good government in Manitoba.

Mr. STITT (Selkirk): I believe it is good policy for the government to include large areas within the ambit of their legislation. I think the government should take as much power as possible. I think the Minister of Trade and Commerce answered the argument of the hon. member for Comox-Alberni when he said that it was not the intention at all to do all those superfluous, imaginary things that were suggested by the hon. member. I have not taken any part in this debate before, Mr. Chairman, but as I have stood up in this house and criticized this government, I want now to stand up and commend them for really trying to do something to try to bring order out of chaos.

The CHAIRMAN: The question is on the amendment to the amendment.

Mr. MOTHERWELL: Mr. Chairman, are we dealing with the fishermen or with the section?

Amendment to the amendment negatived.

Mr. QUINN: Mr. Chairman, will you please read the amendment? You are taking a vote and many members of the committee do not know what it is about.

The CHAIRMAN (Mr. Gobeil): The amendment to the amendment has been read to the committee.

Mr. QUINN: I am asking that you read it again so that we may vote intelligently.

The CHAIRMAN (Mr. Gobeil): If it is the wish of the committee I will read it again. The amendment to the amendment is that section 2, part (e) be further amended by striking out the words "lumber, and such other natural products of the forest, sea, lake or river," in lines four and five thereof. The amendment to the amendment has been lost and the question is now on the amendment.

Mr. DUFF: The hon. member wants to vote.

The CHAIRMAN (Mr. Gobeil): The subamendment is lost.

Mr. DUFF: The hon. member for Halifax (Mr. Quinn) asked the chairman to read the amendment so that he would know how to vote. I ask that we vote again.

The CHAIRMAN (Mr. Gobeil): The hon. member did not mention voting, he asked that the subamendment be read and I read it with the consent of the committee.

Mr. QUINN: I do not require any instructions from the hon. member for Antigonish-Guysborough (Mr. Duff) as to my duties in this committee. I have listened to the hon. gentleman tell of the trials and tribulations and troubles of the fishermen in Nova Scotia. If there is an industry in Nova Scotia or in any other part of this country which needs the assistance proposed under this bill, it is the fishing industry. The hon. member for Antigonish-Guysborough knows that for the past three or four years the fisherman has been getting so little for his product that he finds it extremely difficult to obtain a livelihood. If this bill is only an experiment, it should be given consideration and at least a trial in order to see if the fishermen of Nova Scotia and the other provinces cannot obtain some relief from the conditions under which they now have to exist. I would point out to the hon. member for Antigonish-Guysborough that there is an organization known as the Maritime Fishermen's Union. This organization has a large membership and it should be able to give advice to the minister who will be charged with the administration of this bill. I think the membership of this union represents the best fishermen in the maritime provinces and if any expression of opinion has been received from that organization as to whether or not a board should be set up in the maritime provinces for the purpose of marketing and regulating the products of the fisheries, I think it should receive consideration. I think if that body made a recommendation, the rest of the fishermen in the maritime provinces would agree and get behind them.

Mr. DUFF: I had no intention of instructing the junior member for Halifax as to how he should vote.

Some hon. MEMBERS: Order.

Mr. DUFF: What is wrong with that? I heard him tell the chairman that he did not understand what we were voting on. I thought I was being courteous to him when I asked the chairman to read this subamendment again. If that were done I thought that the junior member for Halifax would understand what it was about and would know how to vote. Surely there was nothing wrong in that.

Mr. QUINN: I did not say there was anything wrong.

Mr. DUFF: You were very annoyed and you said that you were not going to take any instructions from me. In view of the court-

eous action on my part in asking the chairman to read the subamendment so that the hon. member could understand it, I think his remarks are gratuitous.

Mr. QUINN: I appreciate the hon. member's assistance.

Mr. DUFF: My hon. friend has given his views with regard to the bill. He told us one of the reasons he is in favour of it was the condition of the fishermen of Nova Scotia for the last few years. He then went on to say that if the government wanted to find out anything about this bill they could obtain information from the organization known as the Maritime Fishermen's Union. I agree with that statement and I ask my hon. friend if this union which is composed of thousands of fishermen in Nova Scotia has approved of this bill? I can tell the minister and his colleague, the junior member for Halifax, that they have not approved of it. I might tell the junior member for Halifax that a very important organization in his city, the Halifax board of trade, and others, are absolutely opposed to this bill. My hon. friend must have got the same telegram I got a month ago from the board of trade.

Mr. QUINN: I think the hon. member can interpret this bill just as clearly as I can and perhaps better. If the Maritime Fishermen's Union which is composed of such a large majority of the fishermen in Nova Scotia do not want this bill, it will not go into effect so far as they are concerned.

Mr. BARBER: There is one product which I think might be included in the original clause. The amendment submitted by the minister contains these words, "grains, seeds, fruit and fruit products, vegetables and vegetable products, maple products, honey, tobacco". I should like to see the word "hops" included after the word "tobacco". There is a large production of hops in this country and considerable trouble is being had in importing and exporting the product. I think this industry would desire to come under this legislation and I suggest it be included.

Mr. WEIR (Melfort): That would be included under the last part of the amendment.

Mr. MACKENZIE (Vancouver): On going through the various provincial acts I notice that the general definition of natural products is the same as that given in this bill before the amendment was submitted by the minister. Does the minister anticipate any trouble because of the varying definitions of natural products in the various acts?

[Mr. Duff.]

Mr. WEIR (Melfort): I would say not.

Mr. SPEAKMAN: As the subamendment has been disposed of, I shall revert to the amendment. I intend to deal with grains, more specifically with wheat. When speaking on the second reading I stated that it was my personal conviction that wheat was of such importance as to merit the appointment of a wheat board under a special wheat act. I think this should be done because of the importance of the product and the peculiar problems which arise in its marketing. I might emphasize that my desire to have it excluded from this bill was wholly conditional upon its inclusion in another act which would deal specifically with wheat. Until and unless we can have assurance that this other act will be passed and a wheat board appointed, I would prefer to see wheat where it is rather than have it left out in the cold altogether. Under the provisions of this bill at least a part of the work might be done.

As to my reasons for believing it should come under a specific act and be administered by a wheat board, the remarkable degree to which the marketing of wheat has now become state controlled will not have escaped the notice of the committee. It is no longer in the hands of the trade to market as they wish; it is no longer in the hands of the producers to market as they wish, but it has become a matter controlled largely by international agreement, by obligations entered into by the various governments interested in wheat production. More and more has that become the case until the export of wheat has become almost a matter of state policy in this and certain other countries, and it is apparently becoming increasingly so. If that be the case, as I believe it is, it is logical that the state, having assumed the responsibility, perhaps unwillingly, perhaps inevitably, of controlling that international trade in wheat, should assume the further responsibility of looking after the marketing of the wheat itself.

Mr. MOTHERWELL: Now that we are back again on the prairies where we know more about wheat than we do about fish, let me read a statement which I have shown to the Minister of Justice, to find out whether I have the right relationship between cereals and this bill. The statement is as follows:

> While many farmers naturally like to see all cereals included in the new marketing act, where it is now and likely to remain, so long as we have huge carryovers and no hedging market supplied by public investors, it would seem necessary, first, for the government to establish a national wheat marketing board.

until at least the return of normal world wheat marketing conditions and normal annual carryovers.

This seems all the more necessary so long as wheat continues to be the subject of an international agreement, such as now exists between Canada and some twenty other countries. Foreign governments could not negotiate thuswise with a number of small Canadian wheat boards, even though merged, as they doubtless would be; just as Canada could not negotiate with similar local boards in a foreign country. Furthermore, small or big local wheat boards, with delegated authority from the central marketing board, could not finance their wheat marketing operations without a government line of credit or guarantee, or both, as is being done in the case of John I. McFarland's present stabilization activities on the Winnipeg wheat market.

Just at eight o'clock I showed this statement to the Minister of Justice and also to the Minister of Agriculture. My idea is to see whether I have the right relationship described in the article which I have prepared and read, between the wheat question and this bill. As I understand the matter, we are tied up with twenty countries under an international agreement and as nations can deal directly only with nations I do not see how, if this authority is delegated to a local board, such board can conduct an international agreement with a nation. Would the Minister of Justice help me out with respect to this matter?

Mr. GUTHRIE: I do not know that my opinion in regard to the matter of marketing wheat would be in any way as valuable as that of the hon. member who has put the question. It is true that an agreement exists whereby Canada is to be allowed 200,000,000 bushels of exports of wheat. I do not think the present bill in any way conflicts with that arrangement. Whatever form the arrangement has taken, whether a treaty or agreement or international agreement or whatever it may be I cannot see that that arrangement will in any way conflict with the arrangements proposed under this bill so long as the quota of 200,000,000 bushels is not exceeded.

Mr. MOTHERWELL: Might I ask my hon. friend this question: As he knows, negotiations have been going on recently between the Argentine and Canada with respect to changing the quota for the Argentine. Assuming that the Argentine government, through the regular diplomatic channels, Rideau Hall and then the Department of External Affairs got into contact with Canada, would the Prime Minister refer the Argentine government to the fact that we had in the meantime delegated this authority to a local board or, if you like, a central board on the prairies, and would he say to the Argentine government, through the Governor General: I am very sorry; this authority has been delegated to a board in Regina or Edmonton. Will you consult with such board as to the new allocation of the wheat quotas? Is that what he would say, or what would he say?

Mr. GUTHRIE: I would say that we would be bound by the terms of our agreement and the board would not be able to do anything which would conflict with that international agreement. As regards the matter of Argentina, while I do not profess to have a very definite knowledge on the subject, my information is that the government of Argentina has made a claim that the quota allowed to it should be increased—

Mr. MOTHERWELL: Thirty million bushels.

Mr. GUTHRIE: —and that the increase involved would affect the Canadian allotment to the extent of perhaps three or four million bushels.

Mr. McINTOSH: Has Russia done the same thing?

Mr. GUTHRIE: I am not aware of that. Therefore the claim of Argentina is not a very serious one as regards Canada but my impression as well as my opinion is that any international agreement we may have entered into or may enter into in the future would be entirely above the operations of the wheat board under this legislation, and if a question should arise as between the government of Argentina and that of the Dominion of Canada in regard to the amount of the quota, the dominion government would be the one to settle that question and it would not be referred to the wheat board for settlement.

Mr. WOODSWORTH: I should like to suggest a subamendment that looks in the opposite direction from that which was defeated a few minutes ago. It seems to me that this marketing bill is somewhat anomalous in that it comes under the Minister of Agriculture. I presume that situation arises because the agriculturists have been the prime movers in requesting legislation of this character, but it would seem as if the bill includes so many natural products that it might better come under the Minister of Trade and Commerce. As matters stand, however, we have a very wide range of natural products now coming under this bill. I consider the amendment is a distinct advance over the original drafting. In the

original clause a natural product would not necessarily seem to have included, for example, such articles as wool, because wool is not in the narrow sense a natural agricultural product; it is one step removed from being a natural product. The same is true perhaps as regards honey, which is specified in the clause and certainly so with regard to lumber because while trees are natural products, I should think lumber is decidedly a secondary product. This second draft goes a great deal further than the original one, at least so far as a fair reading of the original draft would indicate. Now it includes the greater part of what is in the popular way styled as natural products.

Further than that, the amendment reads:

Any article of food or drink wholly or partly manufactured or derived from any such product.

The question arises why the derivatives should be limited to food and drink. With the exception of lumber they are so limited. Why we should say that there should be control over lumber made of trees and why we should not give any control over furniture made of lumber or, let us say, over clothes made of wool, I cannot quite see; it seems to me to be a very arbitrary limitation. Therefore I would beg leave to extend the scope of the act by moving:

That in section 2, subsection (e) in the fifth line of the amendment, after the word "forest" there should be added the words "the mine," and in the sixth line the words "of food or drink" should be left out.

There are two suggestions contained in this subamendment. As the amendment stands we include agriculture; we include fishing; we include lumbering operations; we include the marketing of any of the products of the forest or the sea or the lake or the river. Why should we not include the products of the mine? We have our coal mines, our gold mines, our copper mines, a great variety of mines and minerals. There seems to be no reason why we should bring in general legislation covering all those other departments of our natural products and deliberately leave out the one. It may very well be that no submissions have been made by the miners. We have been told that no submissions have been made by the fishermen or by the lumbermen. It may very well be the case that the clause will not be invoked in regard to the mines. But if it is well to have general provisions that may be used if necessary in connection with fishing or lumbering, it would seem to me that all the arguments advanced for the inclusion of these industries would substantiate my contention that we should have some general provision that would apply to mining. The Minister of Trade and Commerce gave some specific examples to show that it would be highly desirable in the case of exports of certain types of fish that the government should be able to control the export. He said that this was desirable in the interests of the producers. Mines and the products of mining are in precisely the same position as fishing and lumbering and I cannot see why they should not be treated in the same way.

Therefore, as I asked before, why limit the derivatives to food and drink? If the farmer is to have his product,—fruit, wheat, whatever it may be, controlled by the board, why should the mining man not have his product and its derivatives controlled or why should the textile industry not be controlled? Why limit control to food and drink? I would take it that under this bill amended as it now stands, whiskey or beer could come under control; they are articles of food or drink.

Mr. HOWARD: They are supposed to be under control now.

Mr. WOODSWORTH: Yes, but they may be brought directly under control by means of this amendment. If whiskey or beer, articles of drink, come under this, why should clothing, household furniture, household utensils, not come under it as well?

Mr. BEAUBIEN: Everything.

Mr. WOODSWORTH: Yes, quite so.

An hon. MEMBER: The hon. member is spoiling the bill now.

Mr. WOODSWORTH: No, I am not spoiling it. I am simply suggesting to the minister that as he has drafted the bill he is arbitrarily limiting it to certain kinds of natural products thereby leaving out the products of the mines. I cannot see why mining should be made an exception. All the arguments that apply in favour of the other industries being included are in favour of mining being included.

So with regard to the derivatives, since provision is made to control food and drink derivatives, I do not see why other derivatives should not be included and therefore I urge that we should strike out the limiting words "of food or drink."

Mr. MACKENZIE KING: If the hon member gets mines included and those two limiting words left out, can he think of anything else that will not be included? Will there be anything left out? Will not pretty much everything conceivable be included.

Mr. GUTHRIE: My hon. friend stated that the same reasons would apply to mines as to agricultural products, lumber, fish and the like. He is wrong in that impression. This is a voluntary arrangement so far as the producers go. There have been requests from the various producers of agriculture, of lumber and of fish. There has been a protest from the men interested in mining; they do not wish to be included. The suggestion was made and I think the first draft that I saw of the bill did have mines included. The reason they are not included in this bill is that the miners themselves did not want them to be included.

There may be a good deal of force in what he has urged in regard to secondary products, furniture and so forth. I have been approached personally in regard to furniture; the manufacturers asked to have that included. It would be well to let us walk before we run. Do not let us overdo the thing at the outset. This bill is a new effort in this country and I wish it the greatest measure of success, but I do not think we should overload the proposal in the meantime.

Mr. WOODSWORTH: I understood a little while ago the Minister of Agriculture to say that there had not been any request from the fishermen.

Mr. WEIR (Melfort): I said that I personally had received no request from the fishermen; I had none before me.

Mr. WOODSWORTH: In any case there has not been any great pressure brought to bear from either the fishermen or the lumbermen and yet they are included. It was suggested a few minutes ago that the measure should be confined to agricultural products and the government took the ground that there was no reason that it should not include the products of the forest, the sea, the lake and so on. If we are going on that assumption, I cannot for the life of me see why we cannot extend it to include this one other group of products. It seems quite logical that they should be included.

Amendment (Mr. Woodsworth) to amendment negatived.

Mr. GUTHRIE: There is one other amendment that I have been asked to move on behalf of the minister; it is a technical error in the drafting of the amendment. In the fifth line after the words "natural products" the words should be inserted "of agriculture and." It would then read:

Natural products of agriculture and of the forest, sea, lake or river.

I would move that amendment.

Amendment (Mr. Guthrie) to amendment agreed to.

Mr. STEWART (Lethbridge): I would like to ask the minister a question. When speaking on the second reading of the bill I drew his attention to the question of the sugar beet industry of southern Alberta. Is sugar beet included in the definition as a manufactured article of food or drink?

Mr. WEIR (Melfort): It is included in this definition.

Mr. GERSHAW: May I ask if fodder crops such as alfalfa, hay and clover are included?

Mr. WEIR (Melfort): Yes.

Mr. NEILL: I wonder if the minister would be good enough to enlighten my layman ignorance as to why it is necessary to have the last eight words in this amendement. This is different from the original bill. Power is given the governor in council to designate any other product. That is all right; I would understand it if it stopped there but it continues:

—in accordance with the provisions of this act.

I fail to find any provisions in the act providing for the governor in council doing anything of the kind. These words have been introduced in the amendment, and apparently they do not jibe with the original bill. Are those last eight words necessary, and if so, where are the provisions in the act?

Mr. GUTHRIE: I do not think there is any objection to the words; they do not mislead anybody. They give the governor in council power to add other articles of a similar kind, and anything that is done in that way shall be done in accordance with the provisions of this act.

Mr. NEILL: I quite understand that, but it goes on to say that the designation must be made by the governor in council in accordance with the provisions of this act, and I do not find anywhere in the act any provision for the governor in council doing any designating.

Mr. GUTHRIE: I see no objection to striking out the words, though I do not think it would hurt the bill to leave them in. I would agree to strike out those words if my hon. friend so desire; perhaps it would give us wider power.

Mr. SPEAKMAN: Would the minister be good enough to repeat the subamendment which he moved? We did not hear it, and the chairman did not repeat it.

Mr. GUTHRIE: The only additional amendment is the insertion of the words "of agriculture and" after the word "products" in the fifth line of the section.

Amendments agreed to.

Subsection as amended agreed to.

Subsection (f) agreed to.

On subsection (g)—regulated product.

Mr. MACKENZIE KING: I should like to ask just one question here. In this subsection there are three references to the word "scheme." The interpretation section does not include any definition of the word "scheme" itself. It seems to me that is the one term above all others that should be defined. Would the minister advise us what is meant by a scheme, and will he consider whether he should not include a section to define what is meant by that word?

Mr. WEIR (Melfort): The particulars of the scheme are explained in section 5, and are further dealt with by regulation. A scheme is simply a proposal submitted.

Mr. McINTOSH: Would not the word "plan" have been a better word to use all through the act rather than "scheme"?

Mr. WEIR (Melfort): I was informed that "scheme" was a particularly good word for the purpose we had in mind, following the British marketing act.

Mr. NEILL: Does not the minister think there should be a definition of the word "producer"? The whole bill turns on that, and you have not a definition. There may be endless disputes about what does constitute a producer. I suppose the dictionary would say a producer is one who produces. A coal miner produces coal, but I suppose he would be classed as an employee and not as a producer. A good many questions of that kind may arise in connection with fisheries. How about a man who is working on shares; he is paid so much a ton for the fish he catches, and a certain share is taken by the owner of the boat. I submit that there should be a definition of that word.

Mr. WEIR (Melfort): Would the hon. member show me where the word "producer" appears in the bill? It may be there, but the purpose of the bill is to regulate the marketing of natural products, and of course the owner of the product is the producer, not the hired help who assist in the work.

Mr. NEILL: I do not know that at a glance I can put my finger on the word, but I should like to know how many times the minister has mentioned it in discussing this bill. His whole defence and explanation has been that the producer will do so and so, and that any scheme will have to be approved by the producer. I think it does appear in the bill, but that is immaterial. The whole bill hangs on the meaning of the word.

Mr. WEIR (Melfort): If I used the word "producer" it would be simply as a short way of saying all the persons engaged in the production of these natural products.

Subsection agreed to.

Section 2 as amended agreed to.

On section 3—Dominion marketing board.

Mr. MACKENZIE KING: Mr. Chairman, would you read the first subsection, please, so that it will be of record as to what we are voting on?

The CHAIRMAN (Mr. Gobeil): Subsection (1) reads:

> The governor in council may establish a board to be known as the dominion marketing board to regulate the marketing of natural products as hereinafter provided.

Mr. MACKENZIE KING: Carried. I hope that makes it perfectly clear that so far as we on this side of the house are concerned, we are in favour of a marketing bill to regulate orderly marketing. It does not follow however, that we are in favour of certain or all of the provisions of this act.

Subsection agreed to.

On subsection (2)—constitution of the board.

Mr. NEILL: Would the minister explain why we are appointing a board without being told how many members will be on it or what remuneration they will receive? Will he mention any board of similar importance in Canada that was appointed under these conditions? The tariff board, the pensions board, the radio commission and all the other boards were described in the measures which constituted them; the number of members was set out, together with the remuneration. In some cases we went further and defined the pensions they should receive after being in office for a certain length of time, but here it is left to the sweet will of the governor in council. They hold office during pleasure; they receive such remuneration as the governor in council may see fit to give them, and there is no number stated at all. It is at least pertinent to the scope of the bill to have an idea whether that board will consist of three or of thirty members, and I think we are entitled to know something as to the number of members and their salaries.

We might have some idea of the ability of the men if we knew what salaries they were to be paid.

Mr. WEIR (Melfort): Of necessity this bill must contain a good many provisions of a general character, and it must be flexible. A board might be set up consisting of three persons; a scheme might be submitted by the producers of a certain product, and it might be thought of advantage to add to the board a man particularly adapted to deal with that particular commodity. As far as the salary question is concerned, as I said before every effort will be made to obtain the services of the best possible individuals for this board.

Subsection agreed to.

Subsections 3 to 8, inclusive, agreed to.

On subsection 9—Payments authorized.

Mr. WEIR (Melfort): I beg to move an amendment to subsection 9, as follows—

Mr. MACKENZIE KING: Perhaps the chairman would read the section first, so that we may have the whole information before us.

The CHAIRMAN (Mr. Gobeil): Subsection (9) appearing in the bill is as follows:

The governor in council may from time to time authorize payment to the board, out of the consolidated revenue fund, of such sums of money as may be necessary for the purposes of this act.

Shall I read the amendment?

Mr. WEIR (Melfort): I beg to move that the subsection be amended to read:

The governor in council may from time to time authorize payment to the board, out of the consolidated revenue fund, of such sums of money as may be necessary to defray the operating expenses of the board incurred by it directly, and any expenditure incurred or authorized by the board under the authority of section 9 hereof.

Mr. MACKENZIE KING: Would the minister explain wherein the amendment changes the original section.

Mr. WEIR (Melfort): The reason for the amendment is to limit to a certain extent demands which may be made upon the consolidated revenue fund, and eliminate the possibility of local boards drawing upon the fund for direct operating or other expenditures.

Mr. MACKENZIE KING: I agree that any limitations put upon the board in the matter of taking moneys out of the consolidated revenue fund save by parliamentary appropriation in the first instance, are entirely in the right direction. But I think the minister does not go far enough, and I hope the same reasoning which has led him to limit the boards' powers in connection with drawing these funds from the consolidated revenue fund will cause him to agree to an amendment which will similarly limit the governor in council in the matter of drawing funds from the consolidated revenue fund. I do not think it is necessary again to cover the ground as to the importance of having control of all public expenditures in the hands of parliament, and particularly in the hands of this House of Commons. What is proposed by the minister now is that we shall, with regard to expenditures under the provisions of this marketing bill, adopt a course different from that which has been adopted with respect to all other measures, with the exception of the unemployment relief measures, which were supposed to meet an emergency. I should therefore like to move the following in amendment to the minister's amendment; and I hope the minister will be prepared to accept what it proposes:

That the amendment be amended by striking out the words, "out of the consolidated revenue fund" and substituting therefor the words "out of moneys appropriated by parliament."

The amendment would not lessen the amount of money available for the purposes of this legislation, but it does keep control by parliament over the expenditures which may be necessary.

May I draw the attention of the committee to the fact that the estimates as presented to parliament relate to all departments of government, and that there is nothing of an administrative character for which this parliament does not make specific appropriations which are presented to parliament for its consideration in the first instance in the form of estimates, so that all matters pertaining thereto may come before the house for discussion. For example, in the estimates of the Department of Agriculture we find votes for dairying, cold storage warehouses, fruit, including a grant of $4,500 to the Canadian Horticultural Council. Then, there is an amount for seed, feed and fertilizer control, including grants to seed fairs, and also a grant of $17,010 to the Canadian Seed Growers' Association. Then there is a vote for livestock, including assistance to fairs and exhibitions, and another vote for experimental farms, including investigations concerning plant diseases. There is a vote for the health of animals branch, and the administration of the Animal Contagious Diseases Act and the Meat and

Canned Foods Act. There is a vote for entomology, including investigations and inspection relating to destructive insects and pests, and so on. All these are votes for services pertaining to the Department of Agriculture over which parliament has control. With respect to all of them the government asks parliament in the first instance to provide the necessary moneys, in the form of appropriations and for that purpose gives estimates. I know the minister will say that it may be difficult to make an estimate as to how much will be required, but that is so in regard to any estimate. There has to be some basis, surely, on which the house may be advised as to how much will be necessary. And a procedure whereby money may be taken out of the consolidated revenue fund by the government and not controlled in amount by the House of Commons represents a complete departure from the principle of control by parliament over expenditure and taxation. What I have said with regard to expenditures in the Department of Agriculture is equally true with regard to expenditures in the department having to do with the forests, equally true in regard to expenditures with respect to the fisheries and mines, and equally true respecting any other expenditures for the administrative work of the federal government. Why should there be, in connection with this measure, a departure wholly subversive of the fundamental principle of control by this House of Commons over expenditures? I hope the minister will accept the amendment to the amendment.

Mr. WEIR (Melfort): In answer to the right hon. gentleman may I say he has stated, and I appreciate his statement, that he is in favour of a dominion marketing board to assist in the regulating of production. Because of that I am sure he would not in any way wish to move an amendment to any clause which would limit or hamper the possibility of any assistance which might be given to an industry. He has referred to the Department of Agriculture to show how, at the beginning of each year, estimates are made as to the expenditures for the coming year. But these have to do with well-established policies, and it is a very much simpler matter to make an estimate in connection with them than it would be to make an estimate in a new field such as the one now before us.

Mr. MACKENZIE KING: I believe any cause or course is prejudiced at the outset when a minister finds it necessary to state that it is impossible to tell the country how much it is going to cost. After all, that is an all-important consideration with respect to all legislation. I venture to say that the minister himself, if interested in so small a matter as the purchase of a farm, for the commencement of new operations, would not think of going into such a venture or take any action in connection with it, if he did not have in his mind some estimate of the amount of money likely to be required as a consequence of his action. All business men have estimates before them before venturing into any line of business with which they intend to be associated. It is equally necessary that in the work of government some estimates should be given to parliament.

The minister has pointed out that he does not know what amount may be necessary. May I say to him that at the time of the war when expenditures ran into hundreds of millions of dollars the government of the day found it impossible to know exactly what amount would be required. Nevertheless, not once did Sir Robert Borden depart from the proper procedure of placing an estimate before parliament. He stated that in the opinion of the government, after the end of the fiscal year a certain amount would be required, a large amount, and asked for it. If the minister is afraid that he will not receive sufficient moneys to carry on the work of administration of the board let him ask for an amount which in his opinion will be sufficiently large and let us discover whether or not there are ample reasons why that large amount should be given. Surely the minister can give reasons why a particular sum of money is or is not large enough. That is all we are asking him to do. I am not suggesting that the minister shall limit or skimp in any way the amount he thinks necessary, but I do say that he should give to parliament a statement showing how much money in the opinion of the government this legislation will cost during the period of the year. If in that time it turns out that all the money is not required, the balance would remain in the consolidated revenue fund. If on the other hand there should not be a sufficient amount the minister or the government has always the privilege of having parliament vote additional amounts in the form of supplementary estimates when parliament reassembles, and if necessary parliament can be brought together at any time the government wishes. More than that, as the minister has pointed out, there are times when governor general's warrants may be used with justification. With all these provisions of which the government may avail itself, I do submit that there should not be a departure in this legislation from

that fundamental principle of the control by the House of Commons over the expenditure of moneys required for administrative and other purposes and over the taxation incidental thereto.

Mr. MITCHELL: I just want to give a point of view on this. I am speaking now for myself. Frankly I think the scheme should pay its own way. I think every tub should stand on its own bottom. I believe the government should give some assistance to set the thing in motion, but it is in the best interests of the farmers themselves I believe that they pay the expenses involved in the scheme. In my judgment that will be a brake on bureaucracy. The producers will have some control over the machinery that is set in motion for their benefit. I think the government should provide the machinery for setting up the marketing boards, but it is in the best interests I believe of those who think they are going to benefit from them that they should finance them, because after all is said and done when you pay for something you have some control over the policies put into effect. I think that is absolutely sound ground on which any scheme of this description should be administered. As I say, it may be necessary to provide some moneys to set the thing in motion but once it gets established the responsibility for financing it should rest on those who are going to benefit from it.

Mr. MACKENZIE KING: I would ask the minister if he would give us some idea of how much is required for the purposes of this act, so we may know what it is going to involve the country in the matter of cost. First of all the board is to have the right to regulate the time and place of marketing, and so forth. Can the minister tell us in round figures what he estimates the cost of the board will be; that is to say, the salaries of the members of the board, the obtaining of premises for them and the management of their business. Can the minister give us in round figures an estimate of what that will come to?

Mr. WEIR (Melfort): No, I would not venture an estimate as to that. I see little difference in what we have here and what the right hon. gentleman himself suggests. It has been the custom in the past to overexpend almost without limit money that has been voted, and then bring down supplementary estimates to cover the expenditure. With reference to setting a sum that might seem sufficiently ample, I see no gain in setting a particularly large sum.

In reply to the hon. member for East Hamilton (Mr. Mitchell), I would agree with him if we were in normal times or if this act had been in operation and things were more stabilized than they are. The applications that we have had from a number of industries for such legislation as this have stipulated that they expect to carry the burden themselves, but there is this difficulty of the conditions through which we are passing and the difficulty of some far-flung branch of the agricultural industry in organizing and of being in more dire need of assistance than other industries that are better organized.

Mr. MACKENZIE KING: It is an extraordinary admission to have from the minister that he has not any idea at all what the expenses of the board will be, apart from the cost of the various functions it has to discharge. We have several boards, the tariff board, the civil service board, the board of railway commissioners and the like, and in all these cases it has been possible for the ministry to advise the House of Commons as to what the likely cost of these boards would be, but in regard to this marketing board the government apparently has not any idea, and cannot even give an estimate.

Take next the functions of this board. There are several of them mentioned, and apparently the minister is going to dip into consolidated revenue fund for the moneys required for this purpose. One provision is that the board may compensate any person for loss sustained by withholding from the market any regulated product pursuant to an order of the board. Can the minister give us any idea how much will be required for compensation under that provision?

Mr. WEIR (Melfort): So far as the local boards are concerned that has to be done out of their own funds.

Mr. MACKENZIE KING: How much is expected to be done by the federal board itself?

Mr. WEIR (Melfort): That depends altogether on the conditions during the year the act is in force.

Mr. MACKENZIE KING: The minister cannot give us any estimate at all, is that it?

Mr. WEIR (Melfort): I do not think any person could.

Mr. GUTHRIE: I think there is a good deal of force in that. We do not know how this is going to operate. We cannot make a reasonable estimate. But I see no objection, if my right hon. friend will permit some change in the wording of his amendment, to

our adopting it because I feel that an appropriation will have to be made by parliament this session, but I cannot name it; I cannot limit it. I cannot give a very good estimate of the amount at the present time. The amendment moved by my right hon. friend is to this effect:

That the amendment be amended by striking out the words "out of the consolidated revenue fund" therein and substituting therefor the words "out of moneys appropriated by parliament."

If he would make that read "out of moneys to be appropriated by parliament" we could accept it.

Mr. MACKENZIE KING: Certainly. That is entirely the purpose of the amendment.

Mr. GUTHRIE: We will have to bring down an appropriation this year.

Mr. MACKENZIE KING: That is all I had in mind.

Mr. GUTHRIE: And it will be in the supplementary estimates.

Mr. MACKENZIE KING: Moneys to be appropriated for the purposes of this act—that is quite satisfactory.

The CHAIRMAN: It is moved to amend the amendment by striking out the words "out of the consolidated revenue fund" and substituting therefor the words "out of moneys to be appropriated by parliament."

Amendment to the amendment agreed to.

Mr. SPEAKMAN: I find myself in full agreement with the views expressed by my hon. friend from East Hamilton as to this act being self-supporting. That is certainly the wish of the producers. But under this amendment which limits the scope of the original act the moneys to be appropriated by parliament are strictly limited to direct expenditures of the central board or expenses in connection with the scheme to be put in operation, not by the producer but by the minister or by the government. As it reads now, the costs of all the local boards or producers organizations, all of which come directly in contact with the product, are to be borne by the product itself. That is sound, but I do believe that the financing of the central board, a state agency, and of its operations, is the smallest contribution which this country can make to a general dominion-wide problem.

There is one other point I would like to bring to the minister's attention. While I am in accord with this limitation, there is one class of expenditure which might be excluded and yet which it might be well to make, and that is this. When the producers have submitted a scheme, supposing it calls for a vote to be taken, before the scheme itself is in operation and producing money I think some provision might be made that the preliminary organization expenses, which, I repeat, will be incurred before the scheme itself has had any opportunity of functioning and producing revenue, might be met or at least advanced by the state. Otherwise it might be a very serious handicap to organization among producers who had no funds to contribute at the time.

Mr. MACKENZIE KING: The minister's amendment now reads:

The governor in council may from time to time authorize payment to the board out of moneys to be appropriated by parliament of such sums of money as may be necessary to defray the operating expenses of the board incurred by it directly.

I assume that the words "operating expenses of the board incurred by it directly" include all expenses to be made by the board in virtue of the provisions giving the board certain powers. For example, all the expenses which would be incurred under section 4 would be expenditures incurred by the board directly. Is that not so?

Mr. WEIR (Melfort): This is limited to section 9.

Mr. MACKENZIE KING: The amendment reads, "as may be necessary to defray the operating expenses of the board incurred by it directly." Subject to the provisions of the bill, the board is to have the power to regulate the time and place of marketing, grant compensation, assist by grants or loans and acquire property. All of these functions will entail direct expenditures. I assume that all are covered or I would not feel that the amendment to the amendment begins to cover what I had in mind with regard to the control by parliament over expenditures. I do not want to have any doubt on that point.

Mr. WEIR (Melfort): I do not think I have caught the point of the right hon. gentleman's question.

Mr. MACKENZIE KING: Perhaps I can put it another way. I assume that there is no desire on the part of the government to conceal its intention with respect to the manner in which money shall be provided for the purpose of carrying out the provisions of this bill. I assume that the Minister of Justice (Mr. Guthrie) in accepting the amendment to the minister's amendment which I

proposed meant it to be understood that this parliament would be asked to appropriate moneys for the purposes of this bill and that all the purposes of the bill would be covered by specific appropriations made by parliament, and that the government apart from the amounts specifically appropriated would not have the right to dip into the consolidated revenue fund for any purposes in connection with the administration or provisions of the bill.

Mr. WEIR (Melfort): As I understand it, I would have no hesitation in answering, no.

Mr. MACKENZIE KING: Does the minister mean that there is no intention to do other than have moneys appropriated by parliament for the purpose of carrying out the provisions of this bill?

Mr. WEIR (Melfort): As stated in the bill, in accordance with the provisions of the bill.

Mr. MACKENZIE KING: That is still involved. For example, there is a provision in the bill which gives the minister the power to start investigations quite apart altogether from the board. The minister himself may start an investigation into one thing or another. The proper method of proceeding with respect to any bill is to require appropriations by parliament for every single purpose of the bill. It is equally proper and necessary that the same method should be followed with regard to all expenditures to be incurred under this bill. I want the minister to say if there are any expenditures contemplated under this act which are to be met out of consolidated revenue funds without the proper appropriation being made by parliament?

Mr. WEIR (Melfort): No.

Mr. MACKENZIE KING: That is all right.

Mr. MOTHERWELL: The hon. member for Red Deer (Mr. Speakman) made what I think was a very appropriate suggestion. Nearly all organizations of the kind contemplated by this bill receive some assistance from the state in order to get started. Money must be got from somewhere in order to prime the pump. If a marketing scheme is started and the necessary majority not obtained, who will pay the costs? I think provision should be made either in the form of a grant or loan as this is the invariable practice of all the provincial governments with which I am familiar. I do not think there is any such provision in this bill. It is unfair to leave it to the initiative of a few enterprising producers to start the ball rolling. They will have to spend considerable time in organization work and then if they fail to get the requisite vote they will have to shoulder the expenses. I think it would be quite legitimate to devote a certain amount of state money for this purpose. It could be provided for in the appropriations referred to by the Minister of Justice, but I think it would have to be mentioned in the bill before an item could appear in the estimates.

Mr. NEILL: There is a provision for that purpose in the British act.

Mr. MOTHERWELL: Will the minister think that over and we can discuss it tomorrow.

Mr. WEIR (Melfort): Yes.

Mr. LUCAS: Supposing there was a demand for a scheme and a vote was taken but it was not sufficient to bring the scheme into effect, who would bear the expenses?

Mr. WEIR (Melfort): I would say those who submitted the scheme in the first place. I move the committee rise, report progress and ask leave to sit again.

Progress reported.

HUDSON BAY INSURANCE RATES

Right Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, before moving the adjournment I desire to lay on the table two copies of the fifth report on Hudson bay insurance rates, 1934, by the imperial shipping committee.

The fifth report of the imperial shipping committee on Hudson bay marine insurance rates, which is made public to-day, indicates quite clearly that the underwriters are coming to recognize the comparative safety of this route, more particularly in view of the efforts the government is making to provide adequate aids to navigation and to maintain an efficient patrol service. The committee, on which Canada is represented by the High Commissioner for Canada, has been untiring in its efforts to obtain this recognition and have succeeded in no small measure. There is every reason to hope that as shipping over this route increases in volume and the demand for insurance grows, as it inevitably will, the more or less prohibitory rates that have been in effect heretofore will disappear.

The opinion of the committee, as expressed in this report, tends strongly to the view that during the season of open navigation the risk of casualty for vessels is little, if any, greater

on this route than on the St. Lawrence route, and they find it difficult to appreciate the reasons for the existing disparity between the rates for the suspension of warranty as between Churchill and Montreal. They, however, recognize that as long as the route is used by comparatively few vessels, as has been the case heretofore, the volume of insurance will be comparatively small and a single total loss would more than account for the profits of a whole season. However, the committee are glad to be able to report that the joint hull committee, having in mind the experience so far obtained and the improvement of conditions effected by this government, have seen fit to recommend a reduction of ten shillings per cent on the insured value in the rates of additional premium to be charged for the suspension of warranty on this route. This reduction is in respect of vessels fitted with gyrocompass as well as vessels not so fitted. The existing advantage of ten per cent on vessels fitted with gyrocompass is maintained.

In view of the fact that the house is greatly interested in this matter, I felt this was the easiest way to bring it to its attention, rather than to make a statement outside of the house.

HOSPITAL SWEEPSTAKES

Right Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, there is another matter to which I should like to refer before the house rises, that is, the date most convenient for the debate on the second reading of Bill No. 56, with respect to hospital sweepstakes. I had thought that possibly, by consent, Tuesday next would be a good day to discuss it. Monday is not a very convenient day because all members have not returned from their week-end. If we take it on Tuesday that will afford the opportunity, which it was promised would be afforded, for a free vote on the subject. If that is convenient to the house we will make that the order of business, by consent, for Tuesday next. I should be glad to know the views of the house.

Mr. MACKENZIE KING: So far as the opposition is concerned, Tuesday will be as convenient as any other day.

Mr. SPENCER: This part of the house is agreeable.

Mr. BENNETT: Then, by consent of the house, I move that that be made the order of business for Tuesday next.

Motion agreed to.

[Mr. Bennett.]

VICTORIA DAY ADJOURNMENT

Right Hon. R. B. BENNETT (Prime Minister): There is one other matter which I think the house should dispose of. It has been represented to the government from some quarters that the house should not sit on the 24th. I confess I had not given it thought, but when it was brought to my attention I promised to bring it to the consideration of the house. It is not necessary to conclude to-night what action shall be taken, but when the house convenes to-morrow I shall have had an opportunity of considering it with the right hon. gentleman opposite and some other members as to whether we should sit or not.

Mr. MACKENZIE KING: I will say immediately that whatever the government decides will be acceptable to us.

On motion of Mr. Bennett the house adjourned at 10.45 p.m.

Friday, May 18, 1934

The house met at three o'clock.

HOSPITAL SWEEPSTAKES

On the orders of the day:

Mr. P. F. CASGRAIN (Charlevoix-Saguenay): Mr. Speaker, in view of the Prime Minister's statement of yesterday to the effect that Tuesday next has been fixed for the discussion of the bill regarding hospital sweepstakes, may I ask if the bill standing in my name in connection with an amendment to the criminal code for a similar purpose may be discussed at the same time.

Right Hon. R. B. BENNETT (Prime Minister): I gave an undertaking with respect to the first named, but with respect to this bill I am under no obligation. I assume there will be discussions with respect to it, and the fate of the bill to which the hon. member has referred will to some extent be determined by the fate of the sweepstakes measure. I can conceive of the discussions on the two bills proceeding somewhat along the same lines, but I regret I cannot undertake to take up the bill on that day.

BOLIVIA AND PARAGUAY

EFFORT TO STOP HOSTILITIES BY EMBARGO ON SHIPMENT OF ARMS

On the orders of the day:

Mr. J. S. WOODSWORTH (Winnipeg North Centre): Mr. Speaker, according to the morning paper Great Britain is heading a number of nations in a proposal to put an embargo on the shipment of armaments to the disputants Bolivia and Paraguay. I understand that in this matter Great Britain seeks co-operation of the United States. I believe that we are not shipping any armaments, but that our people are very much interested in a movement of this kind. I have wondered whether the government could see its way clear to make a statement of endorsation or congratulation of Great Britain upon the stand she seems to be taking at this time.

Right Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, the hon. member for Winnipeg North Centre was good enough to indicate to me that he purposed mentioning this matter on the orders of the day. While my personal view was that we might discuss the matter on the item I had left open in the estimates under the Department of External Affairs, namely the item concerning the League of Nations, I have prepared a short statement which I shall be very glad to make to the house at the moment, and further discussions may take place when that estimate is under consideration.

Mr. MACKENZIE KING: We passed that estimate when my right hon. friend was not in the house.

Mr. BENNETT: I thought the house desired to discuss the matter, and I left the item for that reason. If necessary I shall provide facilities for further discussion. The Associated Press dispatch which appeared in this morning's press indicates that Great Britain has taken steps to place an embargo on the shipment of arms to South American countries. I suppose the house recalls the position of members of the League of Nations with respect to matters of this kind. Article 23 of the covenant provides that the members of the League agree to entrust the league with the general supervision of the trade in arms and ammunition with the countries in which the control of this traffic is necessary in the common interest, subject to and in accordance with the provisions of international conventions existing or hereafter to be agreed upon. That is the provision in the covenant of the League of Nations. It will be within the memory of hon. members that last year we took action with respect to the International convention.

Canada signed the "International convention for the supervision of the international trade in arms and ammunition and in implements of war" at Geneva on June 17th, 1925, and, following approval by parliament, ratified the convention on May 8th, 1933, subject to the reservation that ratification shall not take effect until ratifications of the convention shall have been effective, in accordance with Article 41 of the convention, in respect of Austria, Belgium, Czechoslovakia, Germany, Italy, Japan, and the United States of America.

The object of the convention is to establish a general system of supervision and publicity for the international trade in arms and implements of war and to set up a special system for areas where special measures are gradually recognized to be necessary.

Some action has been taken. But as I shall presently indicate, for reasons that perhaps are well known no very effective action has been taken with respect to this matter among the nations of the world, primarily, I assume, because the convention is not yet in force, and will not become effective until four months after fourteen ratifications have been deposited by the signatory governments with the government of the French republic. So far the convention has been signed on behalf of thirty-seven countries and thirteen ratifications, including the Canadian ratification, have been received, but the majority of these are contingent upon ratification by the producing powers. Of the latter, the following have not yet ratified the convention—Belgium, Czechoslovakia, Germany, Italy, Japan, and the United States of America. His Majesty's governments in the United Kingdom and in Australia have made their ratifications contingent upon ratification by all producing countries. Our ratification was not dependent upon that qualification.

In February, 1933, His Majesty's government in the United Kingdom suggested to the league that action should be taken under the terms of article XI of the covenant to recommend that the various governments impose an embargo on the export of arms and ammunition to Bolivia and Paraguay. On that occasion the Canadian government notified its willingness to cooperate with other nations in concerting prohibition of export of armaments to Bolivia and Paraguay. A draft regulation to be signed by the governments in favour of this step was considered by the council and accepted by all the states members of the council, including the United Kingdom. A number of states made their acceptance

subject to acceptance of the declaration by a specified number of other states including the United States. The government of the latter country, however, were unable to impose an embargo until necessary legislation was passed by congress.

Yesterday, according to the press dispatches to which I referred, Anthony Eden, Lord Privy Seal of Great Britain, again brought the issue of an embargo on arms and ammunition to Bolivia and Paraguay before the council of the League of Nations, which is now in session at Geneva, expressing the hope that the council would adopt a resolution to consult the arms exporting countries as soon as possible. Press reports indicate that support for the United Kingdom government's proposal was promised by delegates from France, Italy, Spain, Argentina, Czechoslovakia and Australia, which is this year a member of the council as Canada was some years ago. The matter was postponed to a later session of the council "to be convoked as soon as possible." Press reports further indicate that a communication will probably be made to the following countries in addition to the great powers: Canada, Australia, Belgium, Chile, Denmark, Spain, Estonia, Greece, Latvia, Lithuania, Mexico, Holland, Persia, Poland, Rumania, Sweden, Switzerland, Turkey and Yugoslavia. No official communication has yet been received by the Canadian government.

I certainly think, as the hon. member has said, that His Majesty's government in Great Britain is to be warmly congratulated and heartily commended for the action that has been taken. I assume that it is hardly necessary for me to add that in the event of the opportunity presenting itself Canada will participate favourably in any such action as may be taken in that regard.

FREIGHT RATES ON LUMBER

On the orders of the day:

Hon. R. J. MANION (Minister of Railways and Canals): The hon. member for Quebec South (Mr. Power) yesterday asked a question respecting an order which he said had been issued by the board of railway commissioners in regard to lumber coming from the Pacific coast eastward. I find that there has been no such order. I shall read the communication that I have received and then lay it on the table:

Referring to your telephone message this p.m. asking for two copies of the ruling of the board in connection with the British Columbia lumber rates, I have made inquiries and I find that there is no recent ruling of the board in the matter. There is, however, on file an application from the Montreal Wholesale Lumber Dealers Association, Montreal, by telegram dated the 16th instant, and from a number of other lumber associations, for suspension of the proposed reduction in transcontinental lumber rates, British Columbia to eastern Canada, to permit eastern lumber manufacturers to be heard, who claim they need similar reductions to remain in business and compete with coast lumber manufacturers; and I am enclosing, for your information, two copies of letter from the board to the Montreal Wholesale Lumber Dealers Association and the other parties enumerated, which will explain the situation.

Yours very truly,

A. D. Cartwright,
Secretary,
Board of Railway Commissioners.

I am laying copies of the whole correspondence on the table for the information of my hon. friend and others who have asked me in regard to it.

Mr. POWER: This is probably another of those press rumours to which the Prime Minister referred yesterday.

GLANDERS IN SOUTHERN QUEBEC

On the orders of the day:

Mr. S. W. JACOBS (Cartier): May I inquire from the Minister of Agriculture if his department is in a position to give the house any information with regard to a serious outbreak of the disease known as glanders among horses in the province of Quebec, and particularly in the St. Johns district. Would the minister state how many animals have been destroyed, and if the situation is well in hand?

Hon. ROBERT WEIR (Minister of Agriculture): The hon. member for Cartier informed me that he was going to ask this question, and because of the uncertainty in the minds of many farmers I think it well to make a fairly detailed statement. There has been an outbreak of glanders in Quebec. The first traces of it appeared on November 1, 1933, in three horses imported by Guy C. Tillotson, Coaticook. Two gave suspicious reaction. They had been transported three hundred miles by truck to Coaticook.

On November 18, 1933, these horses were retested; two reacted and were slaughtered without compensation in accordance with the regulation.

On November 25, 1933, five horses from the same stable as the imported horses reacted and were slaughtered. On November 29 three horses also reacted on this owner's farm, so that the outbreak did not originate from the imported horses. Subsequently it has been found that this outbreak is almost certainly

a carry-over from an outbreak dealt with three years ago in the Knowlton district, Quebec.

The disease is in a mild form. Very few clinical cases have been found and these so indefinite that suspicion was not aroused; hence glanders was not reported.

Reports of suspected glanders are received from time to time in different parts of Canada and in such cases all the owners' horses are tested with mallein. All imported horses are either accompanied by certificate or tested with mallein before entering Canada.

Immediate steps were taken to trace and test all contacts and as reactors were found this increased the work in tracing contacts from additional diseased horses.

One horse recently shipped from Alberta reacted in Quebec. When traced back its mate reacted. This case was traced back to an outbreak near Beiseker, Alberta, where opposition to giving information had been encountered which made difficult the tracing of all contacts.

This horse had not been in Quebec long and has no relation to the origin of the Quebec outbreak. All contacts in Alberta are being dealt with now.

The details as to compensation are as follows:

Compensation awarded in Ottawa records: 306 horses slaughtered, $23,316.
Compensation passed for payment, $16,980.61.

The latest information from Quebec, dated May 12, 1934, is as follows:

5,511 horses tested.
319 horses reacted.
224 infected premises.
$24,070.33 compensation awarded.

Since the outbreak developed, horses passing through the Montreal yards have been tested, the total number of horses tested being 1,783. The number of officers was gradually increased as the situation warranted. Experienced men were employed and, because of their experience, three were brought from the western provinces. The disease has been confirmed by post mortem examination and in laboratory small animals. The improvement shown during the last week to May 12 is indicated by the following figures: 476 horses tested; 3 reactors. That shows that the situation is well under control.

VICTORIA DAY ADJOURNMENT

On the orders of the day:

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): May I ask the Prime Minister if he has reached a decision as to whether or not the house is to sit on the twenty-fourth of May?

Right Hon. R. B. BENNETT (Prime Minister): As a matter of fact, Mr. Speaker, I had not the opportunity to discuss it with one or two who desired to speak about it, but this evening before the house rises I shall bring the matter to the attention of the house. I have no definite idea myself about the matter one way or the other. I would just as soon sit as rise, but it has been suggested that we should not sit.

ALGERNON LIGHTHOUSE

On the orders of the day:

Mr. J. FERNAND FAFARD (L'Islet) (Translation): Mr. Speaker, may I inquire of the hon. Minister of Marine (Mr. Duranleau) whether he intends to rebuild the Algernon lighthouse which was located at the Traverse St. Roch and which was carried away by the ice last spring. If so, will the work be done by day labour or contract?

Hon. ALFRED DURANLEAU (Minister of Marine) (Translation): Mr. Speaker, an inspection of the Algernon lighthouse was made some time ago and we though it proper to erect a temporary light on the ruins of the lighthouse in question. A definite decision has not yet been arrived at in connection with the rebuilding of it.

KINGSTON PENITENTIARY FIRE

On the orders of the day:

Mr. P. F. CASGRAIN (Charlevoix-Montmorency): May I ask the Prime Minister in the absence of the Minister of Justice if he is in a position to give any information to the house with reference to the fire that took place and also the outbreak at Kingston penitentiary?

Right Hon. R. B. BENNETT (Prime Minister): I would not care to say more in the absence of the Minister of Justice than that there was an outbreak of fire which did substantial damage. No prisoners escaped. The fire has been completely extinguished, and the buildings that have been destroyed will be rebuilt.

SOLDIER SETTLEMENT LEGISLATION

On the orders of the day:

Mr. CAMERON R. McINTOSH (North Battleford): On February 23 last I directed a question to the Acting Minister of Immigration and Minister of Labour as follows:

Has the government under consideration and does it contemplate bringing before parliament at this session any measure further to alleviate the serious conditions affecting soldier settlers throughout the dominion, especially those of the four western provinces?

Part of the answer given by the minister was as follows:

At the present time I have not under consideration any further remedial legislation.

That is, with respect to soldier settlers throughout Canada.

On April 17 last the Prime Minister made a statement to the effect that an amendment would be brought down to the Soldier Settlement Act, but in his statement to the house on May 14 no mention was made of this pending legislation. May I ask the minister if he is contemplating bringing down any amendment to the Soldier Settlement Act this session?

Right Hon. R. B. BENNETT (Prime Minister): I think perhaps I should answer that. The Minister of Immigration was not in the house when I made the statement.

It is proposed to deal with certain questions that have arisen in connection with the taxation of land. That does not affect the soldier settlers, qua settlers, at all. It is that phase of it that the minister is dealing with. I was dealing with it as affecting taxation by municipalities and the making of lands available as other lands are for tax sale when the taxes have not been paid. It has to do with that phase of it and not with the question of the settler himself.

MARKETING ACT

ORGANIZATION TO IMPROVE METHODS AND PRACTICES IN MARKETING NATURAL PRODUCTS

The house resumed from Thursday, May 17, consideration in committee of Bill No. 51, to improve the methods and practices of marketing of natural products in Canada and in export trade, and to make further provisions in connection therewith—Mr. Weir (Melfort)—Mr. Gobeil in the chair.

On section 3, subsection (9)—Payments authorized.

Mr. POULIOT: I should like to ask the minister if he can give me an answer to the three questions I have placed on Hansard in connection with the decrease in the home consumption of certain farm products?

Mr. WEIR (Melfort): No, the information is not completed.

Mr. POULIOT: I regret that so much time is being taken to answer these questions. I first brought up this matter on March 26, when the house was in committee on the resolution. At that time I asked this question, which appears on page 1812 of Hansard:

As the government has not answered my question I suppose I am to understand that it does not intend to do any thing to improve home marketing conditions.

In fairness to the right hon. the Prime Minister (Mr. Bennett) I must say that he rose to answer my question but an hon. member on this side started to speak. I give him credit that he was willing to make some answer. I again put the figures on Hansard on May 8, nearly a month and a half afterwards.

The CHAIRMAN (Mr. Gobeil): The committee is discussing section 3, subsection (9), and I cannot see that this has anything to do with that subsection.

Mr. POULIOT: Subsection 9 reads:

The governor in council may from time to time authorize payment to the board, out of the consolidated revenue fund, of such sums of money as may be necessary for the purposes of this act.

The purpose of the act is stated in the title, which reads:

An act to improve the methods and practices of marketing of natural products in Canada and in export trade, and to make further provision in connection therewith.

This is a bill to improve the methods and practices of marketing of natural products in Canada and I am complaining about the decrease in home consumption and, therefore, in sales of natural products. I submit that what I am saying is perfectly relevant and in accord with subsection (9) of section 3. Under that subsection the governor in council may from time to time authorize payment to the board, out of the consolidated revenue fund, of such sums of money as may be necessary for the purposes of this act with regard to the methods and practices of marketing of natural products in Canada. I submit that what I am now saying is quite relevant.

On May 8 I quoted some figures showing the decrease in the home consumption of apples, honey, eggs, dressed beef, concentrated milk, cheese, potatoes, peas, oats, barley, wheat and wheat flour. I gave figures showing the spread in prices in 1933 as compared with 1930, after which there was the following dialogue between the Minister of Agriculture (Mr. Weir) and myself:

Mr. Pouliot: Just a moment; I am just concluding my remarks. I am sure the minister will answer.

Mr. Weir (Melfort): My understanding was that with these statistics on record in Hansard an answer would be submitted to the hon. member for Témiscouata.

Mr. Pouliot: I thank you.

That appears on page 2893 of Hansard of May 8. On the following day I asked a question of the minister which appears on page 2931 of Hansard and reads:

Mr. Pouliot: Is the minister ready to answer my question of yesterday?

Mr. Weir (Melfort): The principle under consideration in the wording of clause 9 is to confine the application of power to the creation of interprovincial and export trade.

The minister was answering another question. However, I do not blame him for that as there was a great rush of questions at that time. I thought I was very reasonable when I waited several more days. On page 3094 of Hansard of May 16, the following appears:

Mr. Pouliot: I should like to ask the minister if he can give me some explanation with regard to the decrease in the consumption of apples, honey, eggs, fresh beef, concentrated milk, cheese, potatoes, wheat, oats, barley and wheat flour, as compared with the previous year. I take the liberty of asking this question because on May 8 the minister said that an answer would be given me in this connection.

Mr. Weir (Melfort): The officials of the department have been working since May 8 to gather the information requested by the hon. member for Témiscouata. I have inquired as to the matter on a number of occasions, the last time this morning, but the work is not yet completed. We hope to have the information in the very near future. There has been a very great deal of work in this connection.

Mr. Pouliot: Would the minister be kind enough to tell me if it will be completed before the bill is reported by the committee?

Mr. Weir (Melfort): I believe it will be completed this week.

That was the day before yesterday. In the Hansard of yesterday, at page 3121, the following appears:

Mr. Pouliot: Mr. Chairman, may I ask the hon. Minister of Agriculture if he now has available the information that I have been seeking from him for some time? Yesterday he was kind enough to give me a ray of hope when he said that he hoped to have the information in the very near future. What I want is information with regard to the decrease in the home consumption of several farm products which have been mentioned several times in Hansard. I hope the minister will be kind enongh to tell me, first, if we still have a local market for these commodities; secondly, the reason for the decrease in the home consumption of such products; and thirdly, the remedy, if any, which has been applied by the government to prevent that decrease which has been taking place since 1930.

Mr. Weir (Melfort): I regret that the information asked for has not yet been completed. I am sure the hon. member will realize when the answer is brought down that there was perhaps more work entailed in getting the information than he had in mind when he asked for it, but I hope it will be in shape to be brought down at the beginning of next week, if not to-morrow.

Mr. Pouliot: I thank the hon. gentleman, and if I can be of any assistance to the officers of his department in cooperating with them I shall be very glad to do so.

I would suggest to the staff of the Minister of Agriculture that they should cooperate with the staff of the bureau of statistics. They would get the same information which I have received and which is official. The information in regard to home consumption was given to me by the bureau of statistics, and for the two items I found the price in the Year Book, while for the other items I have divided the value of exports by the quantity in order to arrive at an average price. The quantity of decrease has been multiplied by that average price for 1930 and 1933 respectively. It is very simple to work it out. If the members of the minister's staff are not strong enough on mathematics they might consult the treasury board or the mathematicians in the architects branch of the Department of Public Works, who I am sure would make the calculation for them. It is a matter of applying the simple rules of arithmetic, and it ought to be easy for them to ascertain whether the figures are correct or not. I assure the committee that it is a matter of utmost importance, because what has been discussed until now is only the external trade. The only figures in regard to internal trade are those that are to be found on March 26 and May 8, and in respect of May 8 I have been more than generous, because I have subtracted the amount of exports of butter and pork meat from the amount of decrease in home consumption of same. If the exports of butter and pork products were added to the decrease in home consumption, we should have a real idea of the decrease or the price spread as between 1933 and 1930 in connection with those two products.

I am not going to dwell very long on this matter, but this is my contention. I maintain that it is because of the loss in external trade that we have a loss in internal trade, and the loss in external trade is something fearful. Our external trade is only one-third of what it was in 1930. It may be said that it is just as true for imports as for exports. The point is that it has created a great deal of unemployment, and here we come again to the high tariff walls which have been erected around this country, which have been an obstacle to external trade, and which explain the decrease in our home trade.

Mark you, sir, the decrease in exports from Canada from 1930 until the present time amounts to over a billion and a half dollars.

How much unemployment has that meant throughout Canada? The reason there is a decrease in consumption in Canada, although the hon. gentleman presiding over the Department of Agriculture may not be willing to admit it, is that the people have no purchasing power; they have not enough money to buy apples, honey, grain, vegetables, cheese and other farm products. And it is because of the loss of purchasing power among the people that the farmers are suffering, notwithstanding that the population is larger than it was in 1930. If the population were smaller, and if the prices of farm products were higher, I would not insist on this point; I would say that the people were not buying luxuries. But these twelve articles which are mentioned there are primary farm products. The sales should be at least as much as they were in 1930. There is no excuse for the decrease, because many of these products cost less now than they did before.

From my point of view therefore it is of the utmost importance, in order that I may understand the working of the bill, to have answers to the following three questions. Have we still got our local trade in these commodities? The Prime Minister stated last year, and he repeated it time and time again, that we still have our local trade, our local market. But if the home consumption of these farm products has decreased to such an extent, can it be said that we still have our local market, as the Prime Minister stated categorically and emphatically a year ago? That is the first question.

The second question is this: What have been the causes of that decrease in home consumption? There must be a reason for it. Was I wrong in stating that the decrease in external trade, due to the high tariff policy of the government, has been responsible for a decrease in internal trade, which depends to some extent upon the purchasing power of people working in the manufacturing industries, who must have the money necessary to buy these farm products.

In the third place, if the reason is not as I suggest, what is it, and what remedies have been taken by this government to prevent that decrease in home consumption? I ask this question because up to now the discussion has been about external trade only, and I should like this government to give us an explanation so that we may see whether as a matter of fact such a relationship exists between external and internal trade.

Trade matters are very difficult. It is like clockwork. You can remove one wheel from a clock and it might work just the same, but it would be either faster or slower and would not keep time. But if you remove all the wheels from the clock how can it work? I do not want to say anything unpleasant to the minister, but I tell him here and now that I have been most patient, for these figures have been on Hansard for over a month and a half. I am entitled to an answer after all the care I have taken preparing the figures. It could be done much more expeditiously by the officers of the minister's department, and I say that if they have not these figures at hand they deserve only one thing, and that is to be put out at once. They should prepare the right information for the minister, and there is no excuse for their not doing so. They must inform the minister accurately and if they fail to do so then they are not fit for the job and should be put on direct relief. But I believe that they can do that work provided the minister will tell them seriously, "I want that information at once. It is my duty as a minister of the crown to supply every member of this house with that information, and I am telling you to bring it to me at once, because your job is at stake." If the minister would take that attitude he would find at once that the answer was, "Ready, aye, ready; we are ready."

I hope that as I have been so lenient and patient, having waited a month and a half for that information—I have not insisted before; I have merely reminded the minister that I wanted the information for my electors —he will now take proper steps to have it prepared and submitted before six o'clock to-day.

Mr. WEIR (Melfort): Although a great deal of this is out of order, I assure the hon. gentleman that there has been no intentional delay. Every effort has been made to prepare for him the most accurate statement possible. I had thought it would be ready for to-day, but as soon as it is it will be submitted at once.

Mr. POULIOT: I thank the hon. gentleman and take his word for that.

Mr. WEIR (Melfort): Before the subsection carries I shall ask to have an amendment moved. I propose that subsection 9 of section 3 as amended be further amended by the insertion, after the word "necessary" in line 3, the words "to assist in the organization of local boards."

Sir GEORGE PERLEY: I move the amendment.

The CHAIRMAN (Mr. Gobeil): The subsection as amended would read:

The governor in council may from time to time authorize payment to the board out of moneys to be appropriated by parliament such sums of money as may be necessary to assist in the organization of local boards, to defray the operating expenses of the board incurred by it directly and any expenditure incurred or authorized by the board under the authority of section 9 hereof.

Mr. MACKENZIE KING: Will the minister please explain how the money may be made available to assist in the organization of local boards?

Mr. WEIR (Melfort): This was a matter brought up in the discussion just before the committee rose last night. A scheme would be submitted, but it was pointed out that especially under present conditions, until the local board was appointed, there would be no means of raising money to carry out the poll, for instance, if that were necessary in the formation of the board. Following the principle in force in the United Kingdom, assistance would be given, if required, in the organization of the local boards.

Mr. STEWART (Edmonton): The minister is amending subclause 9 of clause 3 and I understand his amendment deals with clause 9. Personally I intend to move that clause 9 be struck out.

Sir GEORGE PERLEY: We are amending subclause 9 of clause 3.

Mr. MACKENZIE (Vancouver): The authority of clause 9 is cited in the amendment.

Mr. STEWART (Edmonton): The last few words of the amendment refer to clause 9, and without anticipating what the committee is going to do, I intend to oppose clause 9 in toto and to move for its removal because I do not think it is necessary in the bill. If the minister's amendment refers to clause 9, I would ask that his amendment be allowed to stand until it is typewritten so that it may be attached to the subclause because as it was read by the chairman, it was scarcely understandable. My main objection is its reference to clause 9 which has not yet been reached by the committee.

Mr. WEIR (Melfort): I would suggest that the chairman read the subclause as amended and I think the hon. member will have no difficulty in following it if he has the subclause before him.

Mr. STEWART (Edmonton): Mr. Chairman, I sympathize with you in being presented with amendments written in longhand, two of them to the same subclause.

Mr. MACKENZIE KING: Three.

Mr. STEWART (Edmonton): I understood there were just two. This makes it a difficult task for the chairman.

The CHAIRMAN (Mr. Gobeil): I can follow it.

Mr. WEIR (Melfort): This was not in longhand.

Mr. STEWART (Edmonton): My suggestion is that for clarity the subclause stand until the new subclause as amended is written out.

Mr. MOTHERWELL: I am getting somewhat razzle-dazzled too, but I understand this amendment perfectly and I know what it means; I approve of it heartily. So far as any anticipated change in clause 9 is concerned, whatever is done when we shall have reached that clause, we can revert to this subclause of clause 3 and make it conform to the change in clause 9. We must take the bill clause by clause if we are to make progress. The only justification for departing from that procedure is when a knotty problem arises like the one mentioned by the hon. member for West Edmonton (Mr. Stewart) that is not capable of being understood. It is not a bad idea to let the subclause stand; I was going to ask that myself with respect to section 5 or section 6 or both; but this section is becoming so involved one would need a Philadelphia lawyer to puzzle it out. All the clauses that are left over to-night should be consolidated with the amendments so that we may understand them. That would be an office consolidation and it would be quite in order so as to assist us. I would ask the chairman and the minister not to forget that the amendment now moved to give organization assistance to producers is just what the growers want, and what was done in many of the provinces; that is, any new selling organization that was set up by governmental legislation was given a grant or loan to set it on its feet. This was done in the case of the Cooperative Live Stock Association; it was given a grant for three or four years to give it a start. Any measure that is sponsored by the government presupposes that they want to get the organization started and the only way to do that is to give it some initial assistance. I shall not object to the subclause standing so long as the minister does not forget it in the final redrafting.

Mr. MACKENZIE KING: I should like to ask the minister if he would consider between now and the time we reach the last provisions of the bill the insertion at the end

of a clause which will require a report to be made to parliament within fifteen days after its assembling, of what has been done under the provisions of the measure? Such a clause usually appears in bills of this kind, but it does not seem to be in this one. We are introducing a number of new features; this is in large part experimental legislation and I think it ought to follow other acts in the particular I have mentioned.

Mr. WEIR (Melfort): I see no objection to that.

Sir GEORGE PERLEY: That suggestion will be carefully considered.

Subsection 9 stands.

On section 4, subsection 1—Powers of board.

Mr. WEIR (Melfort): The committee have before them the amendments printed but not moved.

Mr. POWER: It would facilitate matters if the minister, out of all these funds he is going to get, would get a law clerk to assist the chairman of the committee, so that the minister and the unfortunate chairman may know what we are discussing. Here we are wasting half our time. We have amendment after amendment, some of them written, some of them barely thought of, and most of them a mess. The chairman has made a desperate attempt to shed light on the subject. I suggest we get a law officer, particularly to help the minister.

Mr. WEIR (Melfort): After this praiseworthy outburst, let me say that in conformity with the wishes of hon. members the amendments that were proposed to be moved have been printed and have been before the committee for some time. In this particular case only one word is struck out and one word added to meet a particular problem in one province. Therefore I maintain that the difficulty of following this is very slight.

Mr. POWER: The matter to which I referred was the amendment to subsection 9 of section 3.

Mr. WEIR (Melfort): We agreed to let that stand.

Mr. POWER: The minister objects to the criticism I made, and I am going to reply. To that section there was an amendment made by the leader of the opposition (Mr. Mackenzie King) last evening. When it was read by the chairman no mention was made of the amendment. Then there was another lengthy amendment made verbally by the minister himself. The result was that the chairman was unable to follow what the minister wanted.

Mr. WEIR (Melfort): I submitted the amendment I moved in typewritten form.

Mr. POWER: There were three amendments to the one subsection.

Mr. DUPRE: I move:

That paragraph (a) of section 4 be amended as follows:

In line 4 add a comma after the word "quality;" strike out the word "or" and insert the words "or class" after the word "grade."

The section will then read as follows:

(a) to regulate the time and place at which, and the agency through which the regulated product shall be marketed, to determine the manner of distribution, the quantity and quality, grade or class of the regulated product that shall be marketed by any person at any time, and to prohibit the marketing of any of the regulated product of any grade or quality.

The only change is one granting the board power to direct that the product shall be sold through a certain agency. There was some question whether the former wording permitted of such direction, and, in order to avoid any uncertainty, it was suggested that the language be more explicit.

Mr. REID: That is not the amendment we have before us. The amendment just read has added words to the printed amendment. There are three words which are not in this amendment.

Mr. WEIR (Melfort): That is right, that is what I explained when the amendment was read, so that hon. members could follow it. The only change is the addition of the word "class" at the request of producers in British Columbia, dealing with the marketing of their apples on the basis of size as well as the regular grades.

Mr. STEWART (Edmonton): It is apparent that this board is going to supplement the work now done by graders.

Mr. WEIR (Melfort): No, not at all.

Mr. STEWART (Edmonton): Then what is the sense of putting this into the bill? The government now have an army of these men.

Mr. WEIR (Melfort): The graders who are now grading will grade in the same way as they do now. This will enable producers to organize. There will be no extra grading

necessary, the same grading that has been done will be done in the same way by a similar staff.

Mr. STEWART (Edmonton): This bill certainly puts into the hands of the board the control of all this grading.

Mr. WEIR (Melfort): No, not the control of the grading.

Mr. STEWART (Edmonton): Why not?

Mr. WEIR (Melfort): Because the same fruit graders will grade. There will be no grading done under the board. They will ship on the basis of grade.

Mr. STEWART (Edmonton): Then why not say so? The bill as you have it printed now will give the board power to control all grades.

Mr. WEIR (Melfort): Not control of grading.

Mr. STEWART (Edmonton): You have here an army of graders grading for every conceivable thing. Grades are fixed to-day. They are marketed through the agency of the Department of Trade and Commerce. Now you are going to set up a board outside of the control of the Department of Trade and Commerce, unless the minister of that department happens to be the minister in charge.

Mr. WEIR (Melfort): The grading of fruit and vegetables and whatever comes under this bill is now done under the Department of Agriculture, as far as agricultural products are concerned, and will continue to be done in the same way.

Mr. STEWART (Edmonton): I am quite familiar with what is being done. I am not raising any complaint, except that there is a tremendous duplication going on.

Mr. WEIR (Melfort): No duplication in this.

Mr. STEWART (Edmonton): There can be. The minister will find that.

Mr. WEIR (Melfort): There will be no duplication in grading.

Mr. STEWART (Edmonton): I say there can be, as the bill is drafted.

Mr. McINTOSH: Do I understand the minister to say that besides the local board there will be a selling board or selling agency? Will that be distinct from the local board?

Mr. WEIR (Melfort): No, there will be no selling agency set up except under section 9.

Mr. McINTOSH: The local board is the only board referred to?

Mr. WEIR (Melfort): Yes.

Mr. McINTOSH: Is there anything in the bill with regard to a democratic organization of that local board? That is for the producers to come together in what we might term free assembly—free organization, free discussion, and as a result set up the local board. Are they allowed to do that under the bill?

Mr. WEIR (Melfort): That is the purpose of the bill.

Mr. McINTOSH: Will they have a vote to do that? I understand that the vote is optional.

Mr. WEIR (Melfort): Optional, yes, with the producers themselves, the people concerned.

Mr. McINTOSH: Do I understand that if the producers wish a vote they will have it?

Mr. WEIR (Melfort): Yes.

Mr. McINTOSH: As the bill reads I think it is optional with the minister to allow the producers to have a vote. I think that is wrong. I believe that as far as western Canada is concerned the local producers will want a vote, and they will want any board they set up organized in a democratic way so that it will be as satisfactory as possible to those about them and to themselves, and therefore a factor in production as well as in financing the district.

Mr. WEIR (Melfort): Might I raise the point that we would make better headway if we finished each clause by itself. Later there comes a subsection dealing with how a vote shall be taken and whether it is optional or not.

Mr. McINTOSH: All right. That will be satisfactory.

The CHAIRMAN (Mr. Gobeil): Perhaps I should read the substituted subsection, as amended.

Mr. MACKENZIE (Vancouver): Re-amended.

The CHAIRMAN (Mr. Gobeil): Section 4 subsection (a) if accepted as amended would read thus:

To regulate the time and place at which, and the agency through which the regulated product shall be marketed, to determine the manner of distribution, quantity and quality,

grade or class of the regulated product that shall be marketed by any person at any time, and to prohibit the marketing of any of the regulated product of any grade or quality.

Mr. MACKENZIE KING: How does the minister purpose having the board enforce the provision to prohibit the marketing of any product? How will they go about prohibiting marketing?

Mr. WEIR (Melfort): The people who submit the scheme would have to state the way in which it will be done. Under the bill relating to fruit which has been given second reading a similar provision has been assented to by the house, which prevents the marketing of products of a certain grade.

Mr. MACKENZIE KING: There parliament has made provision but in this bill parliament is not making any provision, and for that reason a parallel cannot be drawn between the two pieces of legislation. I am asking the minister how the board will prohibit; how will it go about the task of prohibition. Will it put a man in gaol, or what will it do, and by what authority will it act?

Mr. WEIR (Melfort): By enforcing the regulations which will be set up, the same as under any other legislation.

Mr. MACKENZIE KING: How will the board enforce the regulations?

Mr. WEIR (Melfort): The same as they would any other regulation, namely by penalties, cancelling of licences or otherwise.

Mr. BEAUBIEN: Is that power given to the dominion board under this section as amended?

Mr. WEIR (Melfort): We have set out all the powers which we think would be necessary to meet the different proposals which might be submitted from one part of the country, or another, dealing with the different branches of agriculture. They are set out under the dominion board with the proviso added that any of these powers which may be required may be delegated to the local board. It was felt impossible to say that each local board should have each or all of the powers set out here. That is why the plan was adopted of stating the powers of the dominion board, and the further provision that powers could be delegated where necessary to work out the scheme.

Mr. BEAUBIEN: Will the dominion board have power to carry out what is contained in this subsection, irrespective of the local or provincial boards?

[The Chairman.]

Mr. WEIR (Melfort): It will be carried out through the local boards. But this has reference only to a regulated product, that is a scheme submitted by the producers themselves defining what the regulated product will be. In regulating the marketing of that product they ask in their scheme that such powers shall be given them as will permit them to put their desires into effect, and only in so far as the powers as set out in this bill allow will it be possible for the dominion board to delegate those powers to the local board.

Mr. BEAUBIEN: The minister has said that we have no right to legislate or to give powers to a local or provincial board, so the powers we are giving under this subsection must be given to the dominion board. Under this subsection you are giving power to the dominion board to prohibit the marketing of any commodity.

Mr. WEIR (Melfort): The dominion board through the local board.

Mr. BEAUBIEN: Through the local board.

Mr. WEIR (Melfort): Yes, because a scheme would have to be set up before the regulated product would come into being.

Mr. BEAUBIEN: Under this legislation will not the dominion board have power to exercise its powers without any local board having anything to do with it?

Mr. WEIR (Melfort): In the case of emergency, if a scheme were set up as under section 9.

Mr. BEAUBIEN: Only if a scheme is set up?

Mr. WEIR (Melfort): Yes. I think I understand the hon. member's difficulty. For instance, if a scheme is set up in Ontario to deal with the marketing of grapes, the producers submit that scheme, it is approved, and the local board is set up.

Mr. BEAUBIEN: May I interrupt the minister. Do you mean the provincial scheme or the scheme which concerns only the province?

Mr. WEIR (Melfort): If it has to do only with marketing within the province, yes, but I was taking the wider view which would cover all cases, provincial, inter-provincial or export. A local board is set up which asks for certain powers which would permit them to give effect to their wishes. The dominion board will then name them as its agent, giving them these

powers. In that way the dominion board could exert its powers. It could not impose powers in duplication over the local board.

Mr. BEAUBIEN: How can the federal board transfer its powers to the local board?

Mr. WEIR (Melfort): It names the local board as its agent.

Mr. MACKENZIE KING: The minister is suggesting that a board given certain powers under this bill is to have power to give its power to a local board, which as yet is non-existent, to fine and imprison the citizens of the country. It may give these powers to a local board about the personnel or character of which at the present time neither parliament nor the minister has any knowledge, and will not until long after the bill is passed. If I understand the minister correctly, that is what he is saying. I do not read the section to mean that, but if the meaning is as we have been told, it is fortunate that we have found that out. As I read the section it relates to the powers of the board, and the board only. It states that the board shall, subject to the provisions of the act, have powers to do certain things. But the minister has said that among the things the board shall have power to do is the power to delegate to some other body still to be brought into existence the power in certain eventualities to fine and imprison the citizens of Canada, one of which may be simply because they offer for sale certain of the commodities they have produced. Surely the minister would not expect the committee to accept such a clause as that.

Mr. WEIR (Melfort): In the event of a violation of the regulation, the court only could enforce what the right hon. gentleman has in mind.

Mr. MACKENZIE KING: Where does the court figure in this? This is a provision to the effect that the board shall have power to do certain things; it does not say that the courts shall have power. It states that the board shall have power to prohibit marketing. The minister has said that the way in which it will prohibit marketing is by fining and imprisoning those who contravene its orders. He goes on to say that this power of fining and imprisoning is to be given to local boards to be exercised against their fellow citizens. That seems to me a most extraordinary provision.

Mr. BURY: Are we not getting away from subsection (a) of section 4?

Mr. MACKENZIE KING: That is the one we are considering.

Mr. BURY: We are getting away from it. Subsection (a) of section 4 deals exclusively with regulating the powers of the board, that is the dominion board, and says nothing at all about local boards.

Mr. MACKENZIE (Vancouver): You have not read the amendment; wake up.

Mr. MACKENZIE KING: The minister has said it deals with the local boards.

Mr. McINTOSH: There were some amendments on May 11.

Mr. BURY: Subsection (a) of section 4 reads:

> To regulate the time and place at which, and the agency through which the regulated product shall be marketed; to determine the manner of distribution, the quantity and quality or grade or class of the regulated product that shall be marketed by any person at any time, and to prohibit the marketing of any of the regulated product of any grade or quality.

If the hon. gentleman would waken up, himself, and read the subsection he would find there is nothing in it dealing with local boards.

Mr. MACKENZIE (Vancouver): What does "agency" mean?

Mr. BURY: I am speaking about subsection (a) of section 4.

Mr. McINTOSH: That subsection has been amended.

Mr. BURY: I am reading the amended subsection, as the hon. member would learn if he would waken up. I am reading the amendment. Now, being awake, if he will read the subsection he will find that it deals with the dominion board, as the right hon. leader of the opposition has suggested. There is nothing in the subsection that refers to the powers of the local board whatsoever.

Mr. MACKENZIE KING: Then may I ask why did the minister himself mention it?

Mr. BURY: I am merely calling attention to the fact that a great deal of the trouble which the committee is causing itself is caused by members of the committee wandering beyond the limits of the particular section.

Mr. MACKENZIE KING: It is the minister who has wandered beyond it, and my hon. friend's criticism ought to be directed against him.

Mr. BURY: No, because the minister was answering a question that had been asked by the hon. member for Provencher and which did not come under this section at all.

Mr. MACKENZIE (Vancouver): What does the word "agency" mean in the amendment? The minister gave a different reply from that given by my hon. friend from East Edmonton, and I think the minister knows more about it too.

Mr. POWER: I back the hon. member for East Edmonton.

Mr. BURY: If hon. members will read section 4 (1) (a) they will see that it is plain that it refers to the dominion board.

Mr. MACKENZIE (Vancouver): May I ask the minister a question? In his judgment what is the meaning of the word "agency" in the amendment?

Mr. WEIR (Melfort): Any organization or any branch of the trade that the local board may designate.

Mr. BURY: My hon. friend from Vancouver Centre may think he is very clever, but if he will just apply his ordinary intelligence to the language of the section he will see that what it provides is this: that the board, that is the dominion board, has power to regulate the time and place of marketing and has power also to regulate the agency through which the regulated product shall be marketed. That says nothing about the powers of the agency. This section deals entirely with the powers of the dominion board, and the powers of the dominion board are clearly defined as the power of regulating and the power of fixing or appointing an agency through which the regulated products shall be marketed, and so on. But the powers of the local board are not defined except in so far as they are a mere agent of the dominion board.

Mr. BROWN: I think there is need for more explanation of this clause. I agree with my hon. friend from East Edmonton that this does not necessarily refer to the local board. Indeed, up to this point of the bill we are not supposed to know that there is such a thing as a local board. This section deals entirely with the powers of the dominion board and among those powers is the power to regulate the time and place and the agency through which a regulated product shall be marketed. We have a right to know just how wide that term "agency" is. It may mean a local board as set up under this act. It may mean one of any exporting agencies. It may mean that the dominion board has power to delegate to this or that exporting firm the marketing of a certain product. If the powers of the board are as wide as that, it seems to me that we are giving the board very, very wide powers indeed. Does it mean that the dominion board may determine that a product shall be marketed through a local board, through a marketing firm that is in the regular trade, or through any firm whatever? It seems wide enough to include all of these constructions, and if it is that wide we are giving to the dominion board powers that I think should never be given by this parliament.

Mr. WEIR (Melfort): The hon. member for Lisgar is correct in saying that so far the local board has not been mentioned in this bill. This refers to the dominion board. But later when we come to the local board it will be seen that these powers can be delegated to the local board as an agency. It was simply to clear up the question that had been asked me, Mr. Chairman, that I went out of my way to give the explanation.

Mr. MACKENZIE KING: There can be no doubt according to the minister's interpretation that this board has the right to prohibit the marketing of certain products, and that is definitely set forth in the section. If a producer is engaged in offering for sale certain products this board has authority under this bill as it now stands to tell him that he must stop producing those particular commodities. He must not even offer them for sale if that happens to be contrary to some provision which the local board may set up. Is not that correct?

Mr. WEIR (Melfort): The board has no power under this section to tell a man that he cannot produce.

Mr. MACKENZIE KING: If a man is prohibited from selling or offering for sale, which is the definition of the word "marketing," it certainly means that in the long run he cannot produce, because no man is going to produce beyond what may be sufficient for his own needs any commodity he cannot sell. Just to show the extreme to which this bill goes, I have pointed out that there are clauses in the bill which would bring a man to ruin in no time unless he happened to fall in line with what may come to be a regulation that some unknown board may hereafter make—not with what is the law of the land as determined by this parliament. The minister and some hon. gentlemen opposite have made a little fun of me because I quoted Magna Charta. I am going to quote again one clause from Magna Charta which this house had better keep in mind in all legislation, and particularly in considering this particular bill:

No free man shall be seized, or imprisoned, or dispossessed, or outlawed, or in any way brought to ruin: we will not go against any man, nor send against him save by legal judgment of his peers, or by the law of the land. . . . To no man will we sell, or deny, or delay right or justice.

Under this section you are giving to a board power to bring to ruin an innocent producer without his having had any judgment by his peers, and you are doing this under a power other than the law of the land, under some regulation that may be made by a group of local producers. You are denying him justice, and you are taking away from him the right as a matter of justice to do what he pleases with what he himself produces. You are doing all this without sanction in the name of the law of the land. I take no exception to parliament making any regulation it deems necessary in the interests of the community at large and for the protection of producers in the marketing of their products. By that I mean a regulation that may be enforced at law and is a part of the law of the land. But I do say that this parliament has no right to countenance any legislation which will delay and deny right and justice to any citizen of this country or seize, imprison, dispossess or bring to ruin any man except by the judgment of his peers and the law of the land.

Mr. WEIR (Melfort): The regulations set up under this act are subject to the approval of the governor in council exactly the same as in any other act.

Mr. MACKENZIE KING: The governor in council is not parliament, and these regulations, as the minister says, are purely local regulations. They are not regulations that govern from coast to coast. They are not the law of the land. Nothing can be the law of the land that applies, for example, only in the city of Belleville and not in the city of Guelph, or in the city of Guelph and not in the city of Belleville. That is not part of the law of the land at all. It is making a farce of law altogether.

Mr. NEILL: I should like to follow for a moment the remarks made by the leader of the opposition. I am referring to the last fourteen words of the clause, "prohibit the marketing of any of the regulated product of any grade or quality."

When the leader of the opposition objected to that the minister rather cleverly gave an illustration referring to the fruit and honey act that we passed. But that is hardly a parallel case. Under the fruit and honey act power is taken to prohibit the marketing of a product of an inferior grade.

Mr. WEIR (Melfort): Without wanting to lead the discussion into the next subsection, I think it will be found that that matter will be taken care of there.

Mr. NEILL: I am following the remarks made by the minister under this section in connection with prohibition. The fruit and honey act forbids the marketing of inferior grades but this section forbids the marketing of any grade, it is a total prohibition. Sometimes a homely illustration is even better than a reference to constitutional procedure. I have in mind a couple of men who go out and rent a field of ten acres from a farmer. They put in potatoes and spend the whole season cultivating their crop. In the fall when they want to sell they have to take the market price because they have no facilities for storing. They take their money, pay their rent and the remainder is their compensation for their labour. These men might be prohibited from selling their potatoes or the sale might be postponed for six months. Potatoes are not like wheat which can be carried over. Potatoes grown in certain soils must be sold quite early in the season. I ask the minister what those men are to do when they find themselves forbidden to sell the produce they have grown. This illustrates the great difference between this bill and the British act which was supposed to give us a precedent for our legislation. The British act is fundamentally based upon the encouragement of production. Mr. Elliot's ideal is to get them to produce more. If a man produces more than the market will stand, Mr. Elliot does not tell him that he cannot sell, he tells the man in Canada or the man in Denmark that he cannot ship so much. From the very nature of things, this matter is important because we are an exporting country. I should like to know from the minister what is to happen in the case of a man who has produced a perishable article and is told that he cannot sell it?

Mr. STEWART (Leeds): I think we could solve a lot of our difficulties if we read the whole of the section. The next paragraph of section 4—

Mr. STEWART (West Edmonton): Are you reading the amendments?

Mr. STEWART (Leeds): I am reading the votes and proceedings. It is suggested that paragraph (c) of subsection (1) of section 4 be struck out and the following substituted therefor. Under this amendment it is provided that the board shall have power:

To compensate any person for loss sustained by withholding from the market or forwarding to a specified market any regulated product pursuant to an order of the board; provided that no compensation shall be paid in respect of a regulated product that may be withheld from a particular market because the grade of such product is deemed by the board to be unsuitable for such market,—

There is nothing new in that.

—or because of restrictions imposed by the government or other competent authority of any other country—

I suppose that is to meet quotas—

—upon the importation of any regulated product into that country.

Mr. NEILL: That is just too bad for my friends.

Mr. STEWART (Leeds): I think there is ample provision to meet any hardship caused by any order of the board.

Mr. NEILL: If the order is in consequence of a quota, they are sunk.

Mr. STEWART (Leeds): What are you going to do?

Mr. NEILL: That is what I am asking the minister; it is his legislation, not mine.

Mr. STEWART (Leeds): The quota is not made by this board, it is made by a foreign country. This board cannot deal with a quota imposed by a foreign country and they should not be asked to compensate for any action of a foreign country. The section provides that they shall compensate for any loss due entirely to their own action but they shall not compensate for loss as a result of a quota or something else imposed by a foreign country.

Mr. NEILL: Any restriction of that kind will almost necessarily be the result of a quota.

Mr. STEWART (Leeds): Not necessarily.

Mr. NEILL: Certainly.

Mr. VENIOT: I should like to ask the minister to give an explanation of a case I intend to quote. I should like him to tell me how he would work out the time and place at which the regulated product shall be marketed and determine the manner of distribution and so on. Yesterday afternoon the hon. member for Charlotte (Mr. Gagnon) referred to the sardine industry in that county and pointed out that a large quantity of sardines were fished in Canadian waters and sold to American canneries. Supposing a group in the industry obtains a prohibition of the sale of Canadian-caught sardines to the American market and forced their being held for canning in Canada, what will happen? Would the board have the power to fix the price which would be paid to the fishermen by the Canadian canners once this prohibition of sale or export is in effect?

Mr. WEIR (Melfort): The point that seems to be overlooked is the fact that the producers themselves are given the authority for the regulating of the marketing of their own product. They do not buy or sell, they regulate the marketing of their own product. Surely no person would be as much concerned about injury to a producer as the producer himself.

Mr. VENIOT: The hon. member for Charlotte pointed out the conditions which existed in his constituency, and he is quite correct. Let me point out to the minister how this thing might work out. The hon. member for Comox-Alberni (Mr. Neill) stated that one province had already appointed a provincial board. He did not name that province but I shall give it now—it is the province of New Brunswick. A board has been appointed there and I claim it has been sitting without authority. How is that board constituted? The natural producer is represented by a commission merchant. I am not going to say that he is not a farmer and does not know what he is doing, but the fact is that he is a commission merchant. The chairman is the deputy minister of agriculture of the province and the third member is a sardine canner. The original producers are not represented at all. I have every faith in the honesty of the members of this board, but I do oppose the principle of appointing as a member of a provincial board an exporter and purchaser of the natural products. How is such a person going to distinguish between his own interests and those of the natural producer from whom he purchases the natural products to be canned for export? This shows how this thing can be abused. I do not say this will happen with this department, but it may happen with the departments of certain governments. I believe these three men are absolutely honest but I am opposed to the principle of appointing men who are themselves interested in the export of an article while the original producer is not represented at all. Now that act passed by New Brunswick is being put into operation before the federal act is passed giving them authority to act, and they are acting in both

respects, export and interprovincial trade. I am merely pointing this out to show the minister what abuses can creep in under this act.

Mr. MACKENZIE KING: When these local boards are framing their regulations, assuming that there is one producer who produces a hundred times as much as any other in the same area—

Mr. WEIR (Melfort): Before discussing that point, I suggest that we wait until we come to the formation of local boards; it would facilitate the passing of the bill.

Mr. MACKENZIE KING: According to what the minister says, the central board will act on the representation of the local boards, and this fact makes very vital what I am about to say. Assuming that you have a group of producers in a locality asking for certain regulations and submitting a scheme to the minister, and in that locality one producer produces a hundred times as much as the others, would the majority so called be counted in relation to the quantity of the produce that is produced, or would it be according to the number of producers?

Mr. WEIR (Melfort): It would be a combination of both. For example, it would state that there should be 75 per cent of the producers and 75 per cent of production.

Mr. NEILL: Where is that provided for?

Mr. WEIR (Melfort): Under the heading of scheme submitted by producers. That is one matter that would have to be decided.

Mr. NEILL: Is it provided under the scheme to be presented that 75 per cent must be producers?

Mr. WEIR (Melfort): As I said before, if we fixed any percentage of votes or of production it might be taken by the provincial authorities that we were going out of our way to tell them what they should do. Because it was felt that it might lead to objections, and because we wished leave it as flexible as possible, that was left out. A body of producers coming forward to submit their scheme might ask for a poll, or not, depending on the scheme. If they ask for a poll it is provided that they can be given one. My own opinion was that any reasonable body of men would make certain, when such drastic steps were to be taken, that there would be a percentage of producers and also of production.

Mr. NEILL: I understood the minister to say that 75 per cent was provided for; now it appears that it is only possible. If they choose to ask for 75 per cent they may or may not get it, but they do not have to. There is the difference between this and the British act, which looks after the interests of the minority.

Mr. WEIR (Melfort): Their problem is very different from ours. They have one government instead of ten, and it was to get over that difficulty that we dropped any set percentage, trusting that any provincial government would have as good judgment as the federal.

Mr. NEILL: I understand that. But I suggested, when I was speaking a day or two ago, that that might have been got around by the dominion government putting forward some sort of skeleton scheme to which every province would have to subscribe in the main lines if they wished the cooperation of the dominion. Without interfering with provincial jurisdiction, the minister could simply say that if the province wanted dominion cooperation they must agree to such and so. The federal government did that in connection with old age pensions. They did not enforce any obligation on the province but simply said, "If you do so and so, here is our skeleton scheme and we will do so and so"; and every province, without a great deal of trouble, saw their way to agree to the scheme. The provision made under the British act might be put into this scheme. Under the British system it has to be two-thirds of the people voting at the poll; there must not be less than 50 per cent of a vote of all producers; and there must be at least two-thirds in quantity produced. I would ask the minister whether he could not qualify the words "and the agency through which." The idea is to allow probably the milk and fruit people of British Columbia, let us say, to deal through their associations.

Mr. WEIR (Melfort): That was not the intent.

Mr. NEILL: Through some cooperative agency. The language is much too broad. If you say through any agency, it leaves it open to some tinpot commission agent to get the whole agency for some product in his province, and it is these things that arouse suspicions in the minds of people. The dominion board may prescribe "any" agency through which the product must be marketed. Think what that might involve. It might involve the decision that it should be done through the local board; but the board has

power to delegate it to someone else. It might involve its being done through a co-operative association or a farmers' institute, or it might involve a man with political pull who has a petty agency, and it would amount then to giving him a rakeoff. I do not object to the spirit of the words but I think the minister should qualify them so that the section would not be so broad and liable to abuse.

Mr. WEIR (Melfort): I think we have for the past three months followed pretty much the line the hon. gentleman has suggested. We started out by trying to make the bill specific enough to include all conditions, but we were forced, because of representations made and the great difference in the conditions we had to meet, to do just as he has said, namely, to set up a skeleton bill which would make it possible for cooperation between provinces and the dominion, so that one could provide for domestic marketing and the other interprovincial or export trade. I agree with the hon. member that if we had one government instead of ten that could be very easily overcome; but I think we have a perfect safeguard in the fact that the local board has to be set up by the producers themselves, and I suggest that no one would have their interests more at heart than the producers themselves. The purpose of putting in the agency was not at all to make it easy for all the products to go through a certain cooperative agency; I do not think the great body of producers themselves would advocate that. Perhaps the picture that illustrates it best is this. One farmer may be quite a large producer with a large volume of product to market. If he has a considerable volume to market he can make a better bargain with different channels of trade, because if they get a greater volume it will be less costly for them to market the product when they know the quality.

We are really making it possible, if the growers wish to organize so that they may have a greater volume, that they can have the advantage in the different channels of trade.

Mr. NEILL: Would not the words "time and place" cover that?

Mr. WEIR (Melfort): I thought it would, and that is why it was worded as it was in the first place,—where and when the board would decide. It was pointed out to me however that "where" might be interpreted to mean for example the Vancouver market rather than the Victoria market. It was just to clear up that point that the word "agency" was inserted.

Mr. MACKENZIE KING: The minister is making it pretty clear that the bill as presented is the result of representations largely from special groups, groups that come from particular localities.

Mr. WEIR (Melfort): So that nothing that is not quite accurate may be put on record, what I intended to say was this: We made use of all known information after a careful study of the different acts in force. We felt that it would be to the advantage of the primary producers to have a marketing bill under which we could set up a marketing board. A great deal of information was then before us as to the problems with which we had to deal and in the preparation of this bill we have been in touch with private individuals, the trade and cooperative organizations, in order to add to the information that was already ours. That was the way in which the representations were made. This bill, it has been stated, I believe, by hon. members on both sides, is the result of demands made upon me as Minister of Agriculture in Regina when the cooperatives met there last summer. I am quite certain, however that the cooperatives themselves would be the last to make such a suggestion because I stated there I felt we should have competition in trade but on the fundamental principles we disagreed. After the frank discussions we had, a committee met with me in the Royal York hotel at the time of the Royal Winter fair and there again I emphasized that point very clearly, but the preparation of this bill was proceeding much earlier than the meeting that was held at Regina. We were working on a definite plan to assist in the marketing of the products of all primary producers; we gathered all the information possible from cooperative organizations and others and of course we always welcomed any suggestions whether they came from cooperatives or not. But this bill was not prepared simply to meet the wishes of cooperative or special organizations.

Mr. MACKENZIE KING: I think the illustrations that have been given in the course of the discussion make clear what I am saying. Usually a reference has been made to some organization in the west; I think I am right when I say that the minister and others in speaking have usually referred either to British Columbia or to Regina or some other part of the west. There has been very little reference to eastern Canada. What would be the result were this

measure to be in force to-morrow? The applications under it would come to the minister presumably largely from interested groups in western Canada.

Mr. WEIR (Melfort): I would say not. As a matter of fact I have more requests from eastern Canada.

Mr. MACKENZIE KING: Perhaps I might be permitted to continue what I had in mind to say, because the impression I am getting very strongly as a result of communications that are coming in to me is that while western producers feel that they may be able to assist themselves by presenting a number of schemes which will be approved by the minister, those schemes all have the effect of limiting production; that unquestionably is one of their effects.

Mr. WEIR (Melfort): That is one point on which my hon. friend and I evidently seem still to disagree. I do not see how this bill would in any way limit production. It is simply to regulate the marketing of the product.

Mr. MACKENZIE KING: It is only a step from restricting or prohibiting the sale of commodities to limiting production. That is the inevitable effect and it is simply playing upon words to say that regulation will not restrict production because any regulation that will restrict the sale or offering for sale or prohibit the offering for sale of commodities will certainly very shortly affect and limit production. Let us assume that some organizations in the west have their plans approved, and that they are satisfied with them but that producers in other parts of Canada have not made similar applications for similar schemes, have not similar schemes, and are free to continue to sell their commodities as they please. What will the effect of that be? I am being told by one person after another that they believe the effect of this measure will be to sacrifice the production of the west to the profits of the east; that is the impression which is becoming more and more general as to the result of this legislation. In its actual working out it will mean that the production of the west will be sacrificed to the profits of the east. I put it in that clear way so that this possibility may come clearly before the committee. I say that the possibility is there with regard to commodities regulated in any part of Canada and not equally regulated in other parts, that the production of regulated commodities may be sacrificed to commodities that are not regulated in other localities. That only brings out the wisdom of any regulations, if they are to be effective, being made by parliament, not by local groups, so that the regulations will cover Canada from one end of the country to the other. If they do not they are bound to have the effect that the production of those having to do with regulated products will be sacrificed to the profits of those who produce commodities that are not regulated.

Mr. WEIR (Melfort): The right hon. gentleman is surely not serious in his statement. If we consider the picture that he has in mind, it means that the western producers themselves will so act that they will restrict the production and the marketing of their goods to help the east. That is what the right hon. gentleman said.

Mr. MACKENZIE KING: Might I give a concrete illustration? Supposing you have a group of producers in one part of British Columbia: in order to work out a scheme that will bring everyone into an organization—

Mr. WEIR (Melfort): In British Columbia.

Mr. MACKENZIE KING: —in one locality in British Columbia, in whatever portion of the province it may be, and assume that they get the minister to approve their scheme and he approves it, but in Nova Scotia there is no similar scheme and the producers there go on producing and selling just as they have been doing in the past. Does the minister mean to say that under those circumstances the producers in the east will not have an advantage over those in the west?

Mr. WEIR (Melfort): Would the producers in British Columbia not be credited with having sufficient intelligence to look after their own interests in any scheme they might submit?

Mr. MACKENZIE KING: I think what will happen under this legislation is that only a local point of view will be taken of anything done under it. The national view may fail to present itself at all.

Mr. MOTHERWELL: We are suffering under heavy difficulties in trying to get this agricultural bill through. First, it is before the worst committee on top of earth one could find—the committee of the whole House of Commons; that is difficulty number one. The bill should have been either discharged from the order paper and rewritten or else consolidated after the amendments had been introduced and before tabling. I do not think anybody can put this bill through as it stands or explain it properly. If I did not know a little about it I would be rather up the flue as regards understanding it with

all these amendments and subamendments as it stands now. We have one crop of printed amendments brought down by the minister, another typed crop submitted to the chair, and there you are. As one intensely interested in this bill I hope we shall not in the melee lose any of the good things the minister has already given us in the amendments. We shall not mind if there are some more. He made a very good one to-day and it is standing; I hope he will not get huffed too much and let it get lost. His difficulties are imposed upon him by his colleagues; that is the situation.

Sir GEORGE PERLEY: Oh, oh.

Mr. MOTHERWELL: Who is guffawing now? My hon. friend knows that what I say is true.

Sir GEORGE PERLEY: I do not think the hon. gentleman is really serious.

Mr. MOTHERWELL: Serious! The very first criticism I had of this bill was that the government had grabbed off too much; too many fingers in the pie, too many cooks spoiling the broth. The minister has told us he has been all over Canada getting advice. That is all right, but in trying to please everyone he pleases no one. You know the old story about the fellow that lost his ass in the bargain. I say that the ministry is putting the Minister of Agriculture in a position that I have been in several times myself. I have sweat blood a number of times, but I never was properly caught except once. I venture the guess that the Minister of Agriculture, as long as he occupies the position he now does, will never be caught again with this kind of agricultural bill going direct to the committee of the whole house. That is my opinion; see whether it is not justified.

Now, might I suggest that if the minister has any estimates or anything like that to put through, he in the meantime have this bill consolidated by the Justice department; then let us start in Monday morning with a bill that we can understand. I say that as one wanting to get along, to make this as good a bill as possible, and expressing appreciation of everything the ministry has already done by way of amendment. But no one seems to be able to get a grasp of it, even the good things seem to be in danger of going in the midst of this medley. Another difficulty was embodying so many natural products in an agricultural bill as forecast in the throne speech—fish, flagpoles, saw logs, etc. At the beginning it was proposed to include minerals also. Why do they not include hydro power also? Whisky is in, and beer. Is it any wonder that the whole house is contracting legislative gastritis? We are simply biting off more than we can properly masticate. The fault is not with the minister, he is simply put up against the impossible. For goodness' sake get this bill before a smaller committee and get it consolidated so that we may know what it means and can get along. We are going to get a good bill out of it, no matter how long it takes and how impossible it looks.

Mr. WEIR (Melfort): I cannot agree with the hon. member who has just taken his seat.

Mr. MOTHERWELL: I did not expect my hon. friend to admit it.

Mr. WEIR (Melfort): The amendments have been printed and have now been before the committee for a week. The discussion has been going on for a week—

An hon. MEMBER: Three weeks!

Mr. WEIR (Melfort): —on these amendments. Although no person perhaps has said so definitely, I think it is well known on both sides of the house and in the country that there is a very definite effort being made by hon. members opposite either to block the passage of the bill—

Some hon. MEMBERS: Order.

Mr. MOTHERWELL: That is not fair.

Mr. WEIR (Melfort): —or deliberately to misrepresent it.

Some hon. MEMBERS: Order.

Mr. WEIR (Melfort): I shall take one instance. The right hon. leader of the opposition should certainly understand English much better than the average person. Why would he give the misrepresentation that was given in his first statement, of including boots and shoes? I do not think anyone would think for an instant that if he had seriously read the bill he would have given that interpretation.

Mr. MACKENZIE KING: I said it because I thought boots and shoes were made of leather and that leather had to do with cattle and that cattle are to be classed as one of the natural products of agriculture. I was speaking of derivative products.

Mr. MOTHERWELL: A natural assumption.

Mr. WEIR (Melfort): I repeat that to meet the wishes of the committee and facilitate the passage of the bill—the greater part

of the objections having come from people outside the agriculture committee—the amendments have been printed, they have been before hon. members for a week, and I see no gain in doing other than proceed with the bill no matter how long it takes.

Mr. MOTHERWELL: All right, I am agreeable.

Mr. VALLANCE: I do not think the minister should get away with the statement that he has just made, that there was a concerted effort on the part of the opposition to block this bill.

Mr. WEIR (Melfort): On a point of order. I did not state that there was a concerted effort on the part of the opposition to block this bill—

Mr. McINTOSH: That was my impression.

Mr. WEIR (Melfort): I stated that in my opinion there was either a concerted effort to block the bill or to misrepresent the bill.

Mr. VALLANCE: First let me tell the minister there has been no concerted effort to block the bill, and as far as misinterpreting the bill is concerned, not even the ministry have been able to interpret what they mean by the bill. Does this government think for one moment that simply because they bring down a bill and because there are 138 hon. members sitting behind the Prime Minister, we of necessity must swallow the bill and may not offer just criticisms of it? Any criticisms I have offered I think have been quite just, and time has not permitted me yet to say all I want to say against it. The very fact that to a bill of some twenty-one sections we have eighteen amendments shows the situation. And we are not through with it yet, we are still dealing with subsection (a) of section 4. I resent the attitude of the minister in saying that anyone is attempting to block this bill. Those of us who have been taking part in the discussion realize what this bill means, and we are trying to get the best possible bill to take care of an emergency, and I believe there is an emergency at any rate so far as agricultural products are concerned. As one representing an agricultural constituency I resent the minister's statement.

Mr. MACKENZIE KING: I would like to draw your attention, sir, and the attention of the committee to what took place just before the minister spoke. When you asked, shall the clause carry? I said, No, we will vote, and we were prepared to vote then, but the minister seeing he had not the number in the house that he wished, prepared to send his whips out and has been blocking the measure since.

Mr. WEIR (Melfort): No, we are ready to vote now in this section.

Mr. HANBURY: You have got your instructions.

Mr. McINTOSH: Just a minute before you put that question.

An hon. MEMBER: Who is blocking now?

Some hon. MEMBERS: Question.

Mr. McINTOSH: This is no blockade. Do I understand that the body spoken of as the agency is one and the same thing as the local board?

Mr. WEIR (Melfort): No.

Mr. McINTOSH: Then the local board will have power to set up a selling agency outside of itself?

Mr. WEIR (Melfort): I would say no.

Mr. McINTOSH: Will the minister then explain just what the situation is?

Mr. WEIR (Melfort): The local board may direct the regulated products through any channel of trade they see fit. As I explained in some detail a few minutes ago, if they did not have this power they would not have control of the marketing of the product in the same way that a farmer would have when he could choose his own agent.

Mr. McINTOSH: Then instead of setting up a selling board they can make use of any cooperative agency for selling purposes?

Mr. WEIR (Melfort): If the majority of producers feel that that is in their best interest.

Subsection agreed to on division.

Mr. MOTHERWELL: Will somebody some time before we get through with the bill decode this subsection?

On subsection (b), section 4—Exemptions.

Mr. NEILL: Mr. Chairman, I wish to move an amendment. I am glad the Prime Minister is here, I think he will appreciate the point. I do not think the minister quite understood me the other night when I spoke about it. I refer to the words "to exempt from any determination or order any person or class of persons" et cetera. I want to strike out the words "determination or order" and put in the word "scheme" so that it will read "to exempt from any scheme any person or

class of persons" and so on. I said yesterday, and I shall repeat it, that the difference between this and the British system is enormous. The British system exempts from the scheme the small, petty producers whose enumerations, and everything else, would be a perfect curse to the department, and of no earthly use at all. They leave him out of the picture altogether, but having once passed the scheme everybody is subject to any order, as they properly should be. We do the reverse. We put under the act everybody who owns a cow, three or four chickens or a pig, and he is subject to all the regulations and forms. It would take an army to enumerate them. Then, we realize the absurdity of the thing, and under this section we take the power to exempt these people, or anyone, from any determination or order; but it means giving them each an exemption under each and every order. I object to that procedure. This is the British system as indicated in paragraph (b) subsection 1, section 6 of the Agricultural Marketing Act of Great Britain:

> Every scheme shall provide for the following matters, that is to say:—
> (b) for exempting from all or any of the provisions of the scheme producers and sales of such classes or descriptions . . .

And so on. I believe there have been only two or three schemes formulated, one of which is a dairy scheme. They exempt anyone having less than four cows. Then, under the poultry scheme they exempt anyone selling less than twenty-five eggs at a time. Exempt those people, and you save an infinity of trouble; you save a lot of people a lot of trouble, and you play the game fairly. But when I find that under this section it is possible that any producer or marketer may get exemption from any specific order, then I say the way is open to all kinds of suggestions of impropriety and favoritism, something which the minister I am sure does not want. A basic principle is not at stake, at all. This merely calls for a little common sense in carrying out the provision, and the prevention of any imputation of unfairness. I move:

> That the words "determination or order" be stricken out and that the word "scheme" be substituted therefor.

So that the paragraph would read: "to exempt from any scheme any person," and so on.

Mr. BENNETT: As the paragraph now stands the word "determination" is used because it is the complementary word to the word "determine" in paragraph (a) of section 4. It will be observed that the board is to regulate the time and place of marketing the regulated product, and to determine the manner of distribution, and so on. Paragraph (b) is to exempt from any determination or order. The words "determination" and "order" are complementary to the word "determine." I have followed the argument of the hon. member, but I make this statement merely to indicate why these words are used. His further argument is another matter altogether.

Mr. WEIR (Melfort): Although we are not bound by the British legislation, I may say that the words used there are:

> For exempting from all or any of the provisions of the scheme producers and sales of such classes or description as may be specified in the scheme or determined by the board.

It is the same as in this bill.

Mr. NEILL: No, it is not the same. In one case they exempt from the scheme altogether.

Mr. WEIR (Melfort): Yes, as determined by the board.

Mr. NEILL: The class or description is to be determined by the board. The British act gives power to the board to exempt the small man. We want to exempt him, but we exempt him in the wrong way. Instead of exempting him at the fountain head, so that he will not come into the scheme at all, and then having orders made later by the board apply to all in the scheme, you are doing it the wrong way. You are bringing these little producers who produce only a few eggs a week under the power of the board, with all the forms and formalities connected with it. Then you recognize the absurdity of it and propose to exempt him under each separate order. It does not make sense, and will be a tremendous source of inconvenience and confusion. If my suggestion is not adopted, at least I will have the satisfaction of saying, "I told you so."

The CHAIRMAN (Mr. Gobeil): Does the hon. member wish a vote to be taken on his amendment?

Mr. NEILL: Put it to a vote.

Amendment negatived on division.

Paragraph (b) agreed to.

On paragraph (c)—compensation for loss.

Mr. DUPRE moved:

> To strike out paragraph (c) of subsection (1) of this section and substitute the following therefor:

(c) To compensate any person for loss sustained by withholding from the market or forwarding to a specified market any regulated product pursuant to an order of the board; provided that no compensation shall be paid in respect of a regulated product that may be withheld from a particular market because the grade of such product is deemed by the board to be unsuitable for such market, or because of restrictions imposed by the government or other competent authority of any other country upon the importation of any regulated product into that country.

Mr. MACKENZIE KING: I assume this compensation which is to be paid by the board will be paid out of the taxes of the people. Does the board have this power apart altogether from any ministerial responsibility in the matter?

Mr. WEIR (Melfort): No, they take it out of funds raised from the producers themselves, the local board.

Mr. MACKENZIE KING: From the producers themselves?

Mr. WEIR (Melfort): Yes.

Mr. MOTHERWELL: Is that which the Solicitor General read the same as the printed amendment?

Mr. WEIR (Melfort): Yes.

Mr. MACKENZIE KING: As I understand the minister, any compensating to be done by this board is to be done not out of the consolidated revenue fund but out of proceeds which the producers themselves must provide.

Mr. WEIR (Melfort): The subsection we were discussing last night covered that.

Mr. MACKENZIE KING: That is not an answer.

Mr. WEIR (Melfort): I refer to the amendment to section 9.

Mr. MACKENZIE KING: Am I misinterpreting the minister? I wish to have it clear.

Mr. WEIR (Melfort): I would suggest that the right hon. gentleman read the clause. So far as I understand his question I believe he is right, that if the order were made by the local board the compensation would come from taxation made on the producers who set up the local board, and not from the consolidated revenue fund.

Mr. MACKENZIE KING: Supposing it was by the dominion board, and not a local board?

Mr. WEIR (Melfort): Under section 9 as amended, where the dominion board acts directly it would be taken out of the consolidated revenue fund.

Mr. VALLANCE: I should like to ask a question. We will suppose the existing wheat agreement is kept in existence after the creation of this board and that Canada's export to the world market is 200,000,000 bushels. Suppose we produce 400,000,000 bushels and have an excess of 200,000,000 bushels, which this board will be permitted to market, because of the quota; do I understand now that the farmer who is compelled to hold the wheat on the order of the board will be compensated and only compensated from the tolls extracted from the 200,000,000 bushels which have been exported? Or, is there any compensation coming to him?

Mr. WEIR (Melfort): If the hon. member would read the amendment he would find that provision is made for the condition he has mentioned. In a case of a quota like that there would be no compensation paid.

Mr. VALLANCE: The amendment contains the words:

To compensate any person for loss sustained by withholding from the market or forwarding to a specified market any regulated product pursuant to an order of the board; provided that no compensation shall be paid in respect of a regulated product that may be withheld from a particular market because the grade of such product is deemed by the board to be unsuitable . . .

And so on. Suppose I am holding No. 3 wheat, and the board decides it must not be sold. Is there any way of my getting compensation for being compelled by the board to withhold it from the market?

Mr. WEIR (Melfort): I take it that the hon. member is referring to the local board. If the producers themselves in the scheme that they submit wish to have that provision, feeling that it is in the interests of all, then I would say that there would be no compensation.

Mr. VALLANCE: You are going to have local boards; you are going to have provincial boards; you are going to have a national board. I take it that under this bill the national board will have control of all the products exported. It must have, as I see it. Then it must be by the order of the national board that I am compelled to withhold a certain volume of my products from the market. The local board does not have disposition of the surplus, and I do not see how it could give compensation. The minister knows conditions in western Canada just as well as I do, and I would ask him this question: Where there are no facilities for withholding the wheat, is the board going to permit me to be compensated at all events

to the extent of providing the wherewithal for facilities to store the wheat which I am compelled to withhold from the market?

Mr. WEIR (Melfort): It might go that far or it might not. As far as the local board is concerned, that is the board for a province, if the producers themselves decide that it is to their advantage that a certain product of a particular grade should not be marketed in a particular market or not marketed at all through the ordinary channels, they might decide for or against paying compensation out of their own funds. As far as the quota is concerned, that is imposed by outside countries, that question would have to be dealt with on its merits when it arose.

Mr. VALLANCE: There is one question on which I should like a definite answer from the minister. I will put it as simply as I can because I want the farmers to know just where they are going to stand when this bill is through. If I am going to be compelled by an order of the board—I do not care whether it is the local board or the national board—to hold back certain products I have to offer for sale, the compensation that I am going to get, if any, must come from the producer. I want the minister to say whether the farmer himself who is in the scheme will have to take care of this charge by paying tolls.

Mr. WEIR (Melfort): If done under the local board, which would mean the producers themselves, yes; if done under the dominion board—

Mr. VALLANCE: That leads to another question. Has the local board the right to export surpluses without taking into account the central board here in Ottawa?

Mr. WEIR (Melfort): Except in the case of a quota I would say yes.

Mr. BROWN: It is a well known fact that many of the communications that have come to Ottawa asking that wheat be included in this scheme have come from those who have been carrying on an active propaganda in the west for wheat to be included. I think it should be understood by those who have been speaking for the pools and by the country generally just what are the implications of this bill. It is quite clear that those who have been carrying on this propaganda are not sufficiently acquainted with the provisions of the bill and all that it implies. Under the pooling system there was, of course, an understanding that when the crop was sold the proceeds would be divided equally, having regard to grade, varying freight rates, and so forth. That was satisfactory to the men who were in the pool. But it should be made very clear to them that this is an entirely different scheme, and that it does not provide for dividing up equally the proceeds of the crop. This provides that a certain proportion of the crop shall be sold at a certain time, and that at some future time if the other part of the crop is sold, if those who have withheld their crop from the market think that they should be compensated in some way, that compensation, according to the statement made by the minister, may come in the one case from the local board, in which case a charge will be levied upon the producers themselves, or in the other case from the dominion board, presumably out of the consolidated revenue fund. I just wonder how far either the local board or the dominion board is prepared to go in the way of compensation. Are they prepared, as was asked by my hon. friend from South Battleford (Mr. Vallance), to bear the storage charges, for instance, of farmers who are compelled by an order of the board to withhold their grain from the market? A very common method of taking our wheat to the elevator is by truck, by hired truck, it may be, and have it delivered immediately to the local elevator. Under the regulations issued by the local board a farmer may not be able to deliver his wheat to the local elevator. Are we prepared to assume the cost of storage involved and all the extra costs of handling and so forth, to which the farmer will be put in case he is not allowed to put his wheat on the market at a given time? These are all questions that arise. I do not think that those who have been asking for the inclusion of wheat in this bill have considered all the possibilities that may arise in connection with this question of withholding products from the market and compensating those who thereby suffer loss. There are complications in this bill which I am sure that those who have asked for the inclusion of grain have not thought of for a moment. I am quite certain that if all these things were understood a good many of those who have been sending telegrams to members and scaring some of them almost to death would be ready to reverse their position.

Mr. WEIR (Melfort): This bill does provide for pooling.

Mr. VALLANCE: In view of what has been said by the hon. member for Lisgar (Mr. Brown), I think those of us who are familiar with the wheat pool contract will agree that that to which he objects was in the contract. Time and place was in the

contract but it was never enforced. There was no compensation under the old wheat pool contract, and while I may not have very much respect for this pool as it is now, I should like to keep the record straight. I think the minister and those who are interested in pooling will agree with me when I say that there is a disposition on the part of many to believe that the proper place to store the surplus wheat of Canada is on the farm. Some of these people have argued with me that such wheat is not visible, but I do not think that is the case. When you ask anyone speculating on the crop of wheat as to what is now in storage they will tell you how much is moving, how much is at the head of the lakes, how much is in local elevators and how much is being held in the hands of the farmers. I have sent a great many copies of this bill out and asked for approval or condemnation of the measure. I have received some condemnation, but after I have pointed out some of the reasons why I have maintained the attitude I have towards the bill, their feeling is a little different. I think the stand I have taken has been well justified by the fact that there are now eighteen amendments to the bill.

Mr. BROWN: The hon. member for South Battleford (Mr. Vallance) seems to think that I have a misunderstanding of this matter of pooling. We must distinguish the pooling proposed to be done and that done under the voluntary system when members of the pool waited until the grain was all sold. They got an initial payment, then a second and third payment and perhaps a final payment. I understand quite well that such a thing might be carried on under this bill, but it could be done without the bill. I make that statement in answer to the hon. member for Kindersley (Mr. Carmichael) who spoke last night. What was done under the pool system was done voluntarily, but under this bill there is a possibility of a man being compelled to hold his grain off the market and keep it on his farm. Is the cost of doing that to be borne by the producers or paid out of consolidated revenue funds? This brings up a question which did not arise under the pooling system; it introduces an entirely new feature into the problem.

Mr. MOTHERWELL: Is a proviso for compensation included in the British and the other similar acts which have been passed in other countries?

Mr. WEIR (Melfort): There is something of a similar nature.

Mr. MOTHERWELL: There is going to be a whole lot of trouble for anyone who administers a thing like that. I know I had some hangover claims from the old food board of 1917 which we used to cuss up hill and down dale. Old claims were presented to every government since and I would not be surprised if this government is not still receiving them. Even where the parties concerned had died, their executors presented claims for compensation for money alleged to be lost through prices going up afterwards. Suppose a producer lost money by holding a regulated product off the market at the beginning of the year and then made money later on in the same year, would the gain help to offset the loss, or would he just pocket the gain and then claim compensation for the loss? This is a feature which has not yet been discussed. I understand one of the sections providing for compensation has been dropped, or the two sections have been merged into one.

Mr. WEIR (Melfort): Merged into one.

Mr. MOTHERWELL: Make no mistake about it, the government will be loaded up with claims for compensation. The first thing that will have to be done is to set up an adjustment board, because there will be an avalanche of claims. This may be a very good section to set in motion just prior to an election; I do not know whether or not that was in the mind of the government, but I know enough not to oppose it. The government are just piling up barrels of trouble for themselves. They will never be through with it; the next two or three governments will be having these claims presented. I see the Prime Minister (Mr. Bennett) realizes, by his smile, there is something to it. Anything he can get out of this in the way of votes he is welcome to, provided his government has to settle these claims after the next election. I do not know how much evidence there is that that will be the case, but it may be the present ministry will have to handle these matters for another session.

Mr. WEIR (Melfort): That would be taken care of if their products were marketed under the pooling system, I would say.

Paragraph (c) as amended agreed to.

On paragraph (d)—Compensation for depreciated currency.

Mr. MACKENZIE KING: Would this compensation come out of the proceeds of the producers, the same as with the section above?

Mr. WEIR (Melfort): It is the same principle.

Paragraph (d) agreed to.

On paragraph (e)—Assistance by grant or loan.

Mr. DUPRE: I move to strike out paragraph (e) of subsection 1 of this section and substitute the following therefor:

(e) to assist by grant or loan the construction or operation of facilities for preserving, processing, storing, or conditioning the regulated product and to assist research work relating to the marketing of such product.

The word "processing" has been added.

Mr. MACKENZIE KING: These grants or loans are to met by the producers themselves?

Mr. WEIR (Melfort): It is the same principle.

Paragraph (e) as amended agreed to.

On paragraph (f)—Registration or licence.

Mr. BROWN: I should like to ask a question in connection with paragraph (e). Would those loans and grants be made by the local boards?

Mr. WEIR (Melfort): It would be the same principle as in the other section, depending upon whether it was a local board or the dominion board.

Mr. MACKENZIE KING: That provision for the cancellation of a licence by the board means that any man's business would be in the keeping of the board. If the board made up its mind to cancel his licence he would be out of business altogether.

Mr. WEIR (Melfort): That is if the producers themselves decide that such a regulation shall be included in the scheme dealing with their own products. I would say that a man could be reinstated; it is just a matter of imposing the regulations.

Mr. MACKENZIE KING: But every producer will have to carry around a licence in order to be allowed to produce.

Mr. WEIR (Melfort): Not to produce.

Mr. MACKENZIE KING: Well then, to sell or offer for sale the product he has produced.

Mr. WEIR (Melfort): I would not say it would be necessary for him to carry around a licence. It would be a matter of finding the volume of product for sale. If he were breaking any of the regulations the licence could be taken away from him.

[Mr. Mackenzie King.]

Mr. McINTOSH: Has the minister any information to show whether or not the producers really want to be licensed?

Mr. WEIR (Melfort): Some of them are very decidedly in favour of it.

Mr. McINTOSH: But as regards the majority of the producers, are they in favour of it or not? Can the minister answer that question from any information he has received from western Canada?

Mr. WEIR (Melfort): A vote would have to be taken before one could give a definite answer to that question. Where the industry in different parts of a province has been organized however they are in favour of licensing.

Mr. STEWART (Edmonton): Do these regulations apply to anyone who is outside the organization, not a member of it?

Mr. WEIR (Melfort): No.

Mr. STEWART (Edmonton): Any individual who does not join the local board does not come under the provisions of the act at all?

Mr. WEIR (Melfort): He does if he is not exempt and is not in an area that is exempt.

Mr. STEWART (Edmonton): But that is the point. Supposing he is in an area bounded by the geographical limits defined in the act.

Mr. WEIR (Melfort): In the scheme submitted by the producers an area will be defined, and if, after the scheme has been approved, a poll is asked for in the submission of the scheme, the matter to be voted upon is set out. If a majority voted in favour of it—that is, a sufficient majority—then every person within that region, unless exempt as provided here, would conform in the same way as the rest.

Mr. BROWN: Let us take the milk situation in an area around a given city. Does this bill contemplate the possibility of producers within a certain area bringing forward a scheme and excluding from that market those who are not in that area?

Mr. WEIR (Melfort): There is no provision for that here.

Mr. BROWN: Is there a possibility of it?

Mr. WEIR (Melfort): It is not provided for in the act, so they could not do it.

Mr. TOTZKE: There is a possibility of making a close corporation of any industry. If a certain number of producers came under a scheme of any kind, by this section, which provides for licensing, the board might prohibit any other farmer in that area from coming within the scheme and producing the particular commodity dealt with.

Mr. WEIR (Melfort): Not within the area.

Mr. TOTZKE: The board might refuse a licence; they might say that there were sufficient producers of that commodity at the present time.

Mr. WEIR (Melfort): Every person who is brought under the scheme within a region where a licence must be got, except those exempt from the licence, may receive a licence.

Mr. TOTZKE: Let us suppose that in a particular area there are a hundred farmers growing a certain commodity. Licences are issued to these hundred farmers, and then the board may decide that there shall not be any more production of that particular commodity, there shall not be any more producers, and by refusing any more licences they will so limit the number of producers.

Mr. WEIR (Melfort): I have already answered that. They have no authority with regard to those outside their own organization.

Mr. TOTZKE: But that has happened in England in connection with hop production; they have refused to allow further production of that commodity. Under this section the board, by refusing a licence to any new producer, may create the same condition in Canada.

Mr. WEIR (Melfort): Under the British act they have authority to restrict production, but not under this act. Under this act there is no authority to interfere with people outside of those to whom the scheme applies.

Mr. STEWART (Edmonton): Surely the minister does not suggest that this act is not intended to restrict production.

Mr. WEIR (Melfort): Absolutely.

Mr. STEWART (Edmonton): But the whole tenor of the act indicates that purpose.

Some hon. MEMBERS: No.

Mr. STEWART (Edmonton): Absolutely; if you think it doesn't you are badly fooled. There is no other intent in this act.

Mr. WEIR (Melfort): Read where it gives that authority to restrict production.

Mr. STEWART (Edmonton): It runs all through the act.

Mr. WEIR (Melfort): Read one section.

Mr. STEWART (Edmonton): One would have to read a dozen. This act is for the purpose of regulating production.

Mr. WEIR (Melfort): Regulating not production but marketing.

Mr. STEWART (Edmonton): Regulating the producer.

Mr. TOTZKE: Will the minister look at paragraph (f) of subsection 1 of section 4:

> To require any or all persons engaged in the production or marketing of the regulated product to register their names, addresses and occupations with the board, or to obtain a licence from the board . . .

My contention is that the board may by refusing a licence prevent the incorporation in this scheme of new producers.

Mr. WEIR (Melfort): It cannot refuse a licence to anyone who is in the area to which the scheme applies. It is stated very definitely that the producer shall be licensed so that the volume he produces will be known, but the bill has nothing to do with restricting production. It has to do with the regulating of the marketing of the product.

Mr. McINTOSH: May I respectfully say to the minister that he is not right when he says that the producers wish to be licensed. I do not believe that the general feeling of producers in western Canada is that they should be licensed. They agree that those engaged in marketing operations should be, but I do not think that they are very anxious to have all production licensed, in wheat, for instance.

Mr. WEIR (Melfort): As I say, the only way to decide it is to have a vote.

Mr. NEILL: I suggest to the minister that the penalty prescribed here is very severe. It is possible for a man, in consequence of a trivial violation of any provision of the act or of any regulation, to lose his means of livelihood. These regulations will be so involved and multitudinous and complex that a man won't be able to go out of doors and kick the cat without breaking one of them.

Mr. WEIR (Melfort): Does the hon. member know what the regulations are going to be?

Mr. NEILL: I dread to think what they will be; I have seen the act. This act re-

minds me of a magician I saw last week. He reached into the air and pulled out sometimes a duck and sometimes something else, and there is such a cloud of mysticism surrounding this bill that we are apt to get anything but the thing we want. If a man parks his car in the wrong place he is fined $2.50, but his licence is not taken away from him except after a series of violations of the law, and that is of far less importance than the licence of a producer. Could not the minister put in a provision making it possible to revive the licence? Is a man to suffer forever, is he to be prohibited from earning his living, because of a violation of one of the provisions of a regulation under the bill? As regards the minister's suggestion that this bill does not restrict production, may I point out that there is restriction of marketing, and if you cannot sell your product, that automatically interferes with production. However, the point I am urging is that there should be some modification here to provide that at some time or other the man who has lost his licence may get it back. Or, better still, for a petty offence let him be fined an appropriate sum. But don't take his whole means of livelihood away from him. The minister says he may get his licence back, but this does not say so. The minister has a habit of blaming the local board, but this is not the local board; it is the dominion board.

Mr. WEIR (Melfort): It is not compulsory that the licence shall be cancelled, but in flagrant cases it may be. It is in the option of the board, and so long as anyone conforms with the regulations there will be no enforcement of the provision. The hon. member is losing sight of the fact that the whole basis of this will be the judgment of some primary producers in the handling of their own products.

Mr. MACKENZIE KING: Is this not true? Suppose in one part of the province the producers presented a scheme and that scheme was approved, would not all under that scheme be obliged to be licensed and permitted to carry on their occupation provided only they had a licence, whereas with respect to the other part of the province in which a similar scheme had not been presented, production could be carried on by anyone in the ordinary way in which they are carrying it on to-day?

Mr. WEIR (Melfort): If the producers so decided, and they would no doubt have full information of what the right hon. member says.

Paragraph (f) agreed to on division.

[Mr. Neill.]

On paragraph (g)—Full information and periodic returns.

Mr. NEILL: I would like to suggest to the minister that here again the point comes up of which I spoke before, of these elaborate returns being required of people who may own only a cow or a pig or a hen.

Mr. WEIR (Melfort): That is covered in a subclause that we have already passed; they may be exempted.

Mr. NEILL: I beg to differ, and I think I have the backing of the Prime Minister. The minister has not yet grasped the simple fact that there is a difference between exempting people from single individual orders and exempting them from the operation of the whole act. This wretched man in the backwoods with one cow is going to be subject to the bill. The board may issue an order every day or every week. He has to keep himself posted on those orders, keep his ear to the ground and say to himself: Am I exempted under this order? I was on the last one but I may not be on this one. I saw a very good illustration of this in a western paper, I do not remember its name. A farmer had his team hitched up to begin operations; he was telephoning to the minister to find out whether he could put oats in the north forty acres and he was waiting for an answer. That of course is an exaggeration, but it illustrates the point. Why does the minister want to load up his department with getting returns and tabulating them from all these unhappy petty producers?

Mr. WEIR (Melfort): This does not add any work to the Department of Agriculture. This is the local board set up by the producers.

Mr. NEILL: We are talking about the dominion board; we have not yet reached the local board. We are discussing clause 4.

Mr. WEIR (Melfort): It does not say that they shall be licensed but they may be in accordance with the scheme set up by producers in forming their local board.

Mr. NEILL: Where does it say that?

Mr. WEIR (Melfort): Later on.

Mr. NEILL: We are not dealing with "later on"; the minister made that statement before. We are dealing with the powers of the dominion board and it has power to require full information, and so forth.

Paragraph (g) carried on division.

Paragraph (h) carried on division.

On paragraph (i)—Real property.

Mr. DUPRE: I move that paragraph (i) be struck out and that paragraph (j) replace paragraph (i).

Mr. MACKENZIE KING: What is the reason for striking it out?

Mr. MOTHERWELL: When the Solicitor General gets up to read something, is it a new amendment or one before the committee in the votes and proceedings? Is he doing this just for the minister?

Mr. WEIR (Melfort): Yes.

Mr. MOTHERWELL: I thought at the beginning it was another stunt he was pulling off.

Mr. MACKENZIE (Vancouver): Is the reason for that that it more or less repeats clause 3, subclause 6 of the bill?

Mr. WEIR (Melfort): The reason was that it was not felt necessary to include that for the first year.

Mr. MACKENZIE (Vancouver): The minister has that power in subclause 6 of clause 3:

The board shall be a body corporate and shall have power for the purposes of this act to acquire, hold and dispose of real and personal property.

It occurred to me that paragraph (i) was a repetition of subclause 6 of clause 3.

Mr. WEIR (Melfort): The first reference is to the dominion board, but in the clause under discussion there are set out the powers that may be delegated to the local board, and the reason for striking out this paragraph is to prevent the dominion board from delegating those powers.

Mr. MACKENZIE (Vancouver): Clause 3 refers specifically to the dominion marketing board, and then if you look at the interpretation clause the "board" means the dominion marketing board.

Mr. WEIR (Melfort): But later in the bill it states that only the powers set out in clause 4 may be delegated to the board.

Mr. MACKENZIE (Vancouver): So that this was repeated for the purpose of delegation?

Mr. WEIR (Melfort): Yes.

Amendment agreed to.

Paragraph (i) struck out.

On paragraph (j)—Cooperation.

Mr. DUPRE: I move that paragraph (j) read paragraph (i) instead of paragraph (j).

Mr. MACKENZIE (Vancouver): Carried on division.

Amendment agreed to.

Paragraph (j) carried on division.

On section 4, subsection 2—Collection of charges.

Mr. DUPRE: I move to amend subsection 5 of this section to read as follows, and insert it as subsection (2) of this section:

(2) Whenever a scheme for regulation by a local board has been approved, the board may authorize the local board to exercise such of the powers of the board as are outlined in this section and as may be necessary for the proper enforcement of the scheme of regulation, and may at any time withdraw from the local board authority to exercise any of its powers.

Mr. MACKENZIE (Vancouver): The minister is presenting the amendments in a different order.

Mr. DUPRE: What we intend to do is this: the present subclause 2 will disappear as well as subclauses 3 and 4. Then subclause 5 as I read it a moment ago will become subclause 2.

Mr. POWER: Let us dispose of the striking out of subclauses 2, 3 and 4.

Mr. DUPRE: Subclauses 2, 3 and 4 will go out and then subclause 5, as I have read it, will become subclause 2. Subclause 6 will become subclause 3 and we will add other paragraphs which will be numbered subclauses 4, 5, 6, 7 and 8 which I will read in a minute.

Amendment agreed to.

Subclauses 2, 3 and 4 struck out.

Subsection 5 as amended agreed to on division.

Mr. BENNETT: Subclause 5 becomes subclause 2.

On section 4, subsection 6—Board may require full information.

Mr. DUPRE: Subclause 6 will now become subclause 3.

Subsection agreed to on division.

Mr. DUPRE: Then I move that we add the following subsection 4:

(4) The board, whether exercising the powers conferred by this act or by provincial legislation, may establish a separate fund in connection with any scheme of regulation and for the purposes of such scheme may impose charges and tolls in respect of the marketing

of the whole or any part of the regulated product, which charges and tolls shall be payable by such persons engaged in the production or marketing of the regulated product as the board decides.

Mr. MACKENZIE KING: Might I ask the Prime Minister a question, which comes up in different places in the consideration of this bill? Does the Prime Minister say that the federal government has power to give to any province a power which it does not already possess under the British North America Act?

Mr. BENNETT: The question has been much discussed as to whether or not the dominion may delegate a province to act for it as agent in respect to certain matters. It cannot confer any greater constitutional powers than a province possesses under section 92 and other sections of the British North America Act, but it can, as it seeks to do here, confer upon a province certain powers to act as agent, and on the other hand the province may ask the dominion to act as agent for it for the purpose of carrying out any joint enterprise or effort. That is as far as I would go.

Mr. MACKENZIE KING: Might I ask if the view of the law officers of the crown has been taken on that all-important point, and is the Prime Minister in a position to state their view to the house?

Mr. BENNETT: The law officers of the crown have gone over every phase of this with great particularity. As it now stands, in their opinion the clauses are within the legislative competence of parliament.

Mr. McINTOSH: Do I understand from the Prime Minister that the federal parliament can delegate powers outside of the ambit of its own power?

Mr. BENNETT: That is not what I said. I said the federal power might ask a province to act as its agent to do certain things. That is as far as I went.

Mr. MACKENZIE (Vancouver): That is the whole basis of this bill.

Mr. BENNETT: Quite so. The hon. member for Vancouver Centre (Mr. Mackenzie) realizes that that is the general purpose. The cooperation between the provincial and the federal power arises from an understanding with respect to the exercise of their respective powers as agent for one and the other.

Mr. NEILL: Will the Prime Minister admit that the federal government cannot grant discretionary powers to the provinces? They can only carry out the orders of the dominion.

[Mr. Dupré.]

Mr. BENNETT: I am quite sure the hon. member for Comox-Alberni (Mr. Neill) will understand that I do not desire to be disrespectful, but I do not care to express opinions of purely academic value about so complex and difficult a matter. I can only say that the clauses of this bill have been framed so as to be within the legislative competence of this parliament.

Mr. MACKENZIE KING: Where the British North America Act gives certain powers exclusively to the dominion, does the Prime Minister construe that as meaning that any of these powers can be delegated to a province?

Mr. BENNETT: No, that is exactly what I did not say. I tried to make it perfectly clear. Section 91 deals with peace, order and good government and then states:

. . . and for greater certainty, but not so as to restrict the generality of the foregoing terms of this section—

The federal parliament is given exclusive legislative authority over the twenty-nine subjects which follow. Then, with respect to section 92, it says that the provinces shall have exclusive power over the matters therein mentioned. What the right hon. gentleman I trust did not understand was that I was suggesting for a moment that action taken by the parliament of Canada could confer upon the provinces legislative jurisdiction which under section 92 they do not possess, or that any action taken by a province in the exercise of its exclusive powers could confer a power upon the dominion.

Mr. POWER: The intention is to have them act as agents?

Mr. BENNETT: Absolutely. And there is no reason why the instrument for the purpose of effecting the will of the federal parliament might not, with consent, be a province or anyone else, or that the agent to effect the will of a province might not be the federal power or anyone it might select. That is the whole suggestion. The bill is based upon that appreciation of it. But I should like to make it perfectly clear to the hon. gentleman that I would agree with him, and I trust he does not think I am suggesting that there would be any power in this parliament to give larger powers to the provinces than the constitution affords, or that there can be a diminution of provincial powers by acts of this parliament. The statute of Westminster provides that this parliament has not power

to lessen or abridge or expand the legislative powers conferred by the British North America Act upon the provincial legislatures on the one hand and the federal parliament on the other.

Mr. MACKENZIE KING: May I then ask this concrete question? The second of the exclusive powers given to the dominion is the regulation of trade and commerce. Would the Prime Minister say that the dominion could in any way confer upon any body within a province or upon the province itself the power to regulate trade and commerce in any particular or to any extent?

Mr. BENNETT: In the case of Parsons vs. Citizens' Insurance Company the privy council held that the words "trade and commerce" in the statute, paragraph 2 of section 92, are to be construed as they have been previously construed as used in a statute passed in the reign of Queen Anne. Later, in the insurance reference following that decision, which held that statutory conditions in fire insurance policies were within the power of the provincial legislatures, the privy council held that our insurance acts were ultra vires and that the words "trade and commerce," while including insurance, did not mean any one branch of trade. That was the limitation placed upon them in the two cases. I do not suggest that the words "trade and commerce" mean that the parliament of Canada could by any legislative act confer upon the legislature of any province the power to enact legislation with respect to trade and commerce as the meaning of those words has been interpreted by the privy council. But I do say that the dominion parliament in the exercise of its jurisdiction with respect to trade and commerce can confer upon any instrument that it selects the necessary power to act as its agent in the carrying out of its legislative power under trade and commerce.

Mr. McINTOSH: Inside the area of jurisdiction?

Mr. BENNETT: Of course inside the area of jurisdiction, within trade and commerce.

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

After Recess

The house resumed at eight o'clock.

PRIVATE BILLS

SECOND READINGS

Bill No. 77 for the relief of Aileen Marie Thompson Robb.—Mr. Bell (St. Antoine).

Bill No. 78, for the relief of Doris Jones Earp.—Mr. Bell (St. Antoine).

Bill No. 79, for the relief of Jean Gordon Worden Ellis.—Mr. Jacobs.

Bill No. 80, for the relief of Mary Alice Beatrice Featherston Moxon.—Mr. Jacobs.

Bill No. 81, for the relief of Ethel Irene Probert.—Mr. Bell (St. Antoine).

DOMINION MARKETING BOARD

ORGANIZATION TO IMPROVE METHODS AND PRACTICES IN MARKETING NATURAL PRODUCTS

The house resumed consideration in committee of Bill No. 51, to improve the methods and practices of marketing of natural products in Canada and in export trade, and to make further provisions in connection therewith—Mr. Weir (Melfort)—Mr. Gobeil in the chair.

Hon. ROBERT WEIR (Minister of Agriculture): Mr. chairman, I move that the committee rise, report progress and ask leave to sit again.

Progress reported.

SUPPLY

IMMIGRATION AND COLONIZATION

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

Immigration — salaries and contingencies, $1,239,288.

Mr. HANBURY: Before this item carries I suggest that the minister give to the committee the reason we have immigration offices in Europe at the present time.

Hon. W. A. GORDON (Acting Minister of Immigration and Colonization): The offices maintained in Europe are very necessary for inspectional work, medical and civil. There are people who under the regulations are entitled to come from Europe as emigrants, and those offices could not possibly be done away with because we would run into difficulties in the nature of disease, and so on.

Item agreed to.

To provide for payments in connection with the movements of coal under conditions prescribed by the governor in council and for the cost of administration thereof, $2,450,000.

Mr. NEILL: I do not wish to detain the committee or to trouble the minister, but I should like him to make a short statement as to the prospects of improving the subvention

for coal mined on Vancouver island. There is a press record of there being a meeting with the minister of the eastern British Columbia coal people, the Alberta coal people and I think some of the eastern men who are suggesting increased subventions for themselves. I have no objection to that; that is their problem. I see it is stated in the press that so far as Nova Scotia is concerned things are shaping well for a boom year in the Cape Breton coal industry, according to the Hon. Michael Dwyer, Minister of Public Works and Mines for the province.

I will just comment in passing that the coal output of Vancouver island is going down once more. The last record I have of it is for February, when there was a decrease of 21 per cent from the same month last year. That is an increasing trouble.

The cost to the government of assistance to Nova Scotia coal mines increased from $228,000 in 1931 to $1,447,000 in 1933, and in the case of Alberta and the Crowsnest pass from $212,000 to $228,000; for Saskatchewan the cost exactly doubled. These are all substantial increases. But the amount for subsidy for bunker and export coal for Vancouver island decreased in the same period from $36,756 to $26,952. There was a bonus of one dollar per ton on export coal, but there was no movement of export coal in 1933 and practically none in 1932. It was anticipated that this bonus of one dollar per ton for export coal would produce a trade of approximately 50,000 tons. I think the Prime Minister will recall that being said to him by a delegation that waited on him, but unfortunately, owing to perhaps unforeseen and unpreventable matters, the depression and war in the South American republics, that trade has not eventuated. The trade in fact has totally disappeared. I suggest that in the case of Vancouver coal the subsidies have not been successful, or not successful at all events to the same extent as in the east, and I would suggest that the bunker coal subsidy should be raised from fifty cents to one dollar a ton. That is not very high considering that coal carried on the railways gets as high as two dollars a ton, and that the subsidy is paid on the long ton in the case of Vancouver island and on the short ton in the case of Nova Scotia coal. I know, because I have been in communication with him, that the minister has been kind enough to consider this matter, and I would just like a short statement from him or an assurance that the matter is still not finally settled, and I should like to know what hopes he has of being able to meet our views in this case.

[Mr. Neill.]

The amount would not be very great. It would even then fall very far short by something like one-third of the amount estimated to be given in the beginning.

Mr. GORDON: The subvention given to Vancouver island coal at the present time is, as has been stated by the hon. member for Comox-Alberni (Mr. Neill), fifty cents on bunker coal and one dollar per ton on coal for export. When these subventions were arranged after conferences with members on both sides of the house representing the locality and with the owners of the coal mines and some representatives of labour it was deemed at that time that the assistance then granted would be of a very substantial character. The operators depended in large measure upon the coal they would be able to export from the island into South American countries. However, experience has shown that that trade did not materialize. I doubt if any coal has been exported because, for reasons that are well known to members of this committee, the assistance to that movement could not apply to the United States.

Then difficulties also arose by reason of the ships from the orient, particularly from Japan, double bunkering. That resulted in a contraction of the market for coals from the island. At the present time, by reason of the changed conditions in the coal trade, largely brought about by the operation of the laws that have come into force in the United States, it has been found desirable and necessary to give further study to these subventions, having regard to the increased price of United States coals under the N.R.A. That matter is still under review, and it is my hope that assistance this year to the coal mining industry of Canada will be maintained at least to the same extent as last year, but at a very much reduced cost to the treasury. It is obvious, of course, that by reason of the increased price of United States coal our mines will not and need not expect the same amount of assistance they received in the years past.

To the hon. member for Comox-Alberni I can state that the position of the mines of Vancouver island is at present under consideration, and if it is possible to adopt some plan that is in harmony with the amount of money available I shall be very glad indeed. But I can assure the hon. member that study is being given to the matter in the hope of providing more employment for those engaged in the mining of coal on Vancouver island.

Mr. STEWART (Edmonton): I understand that the western operators have been down here asking for practically the same treatment on a mileage basis as is given to the movement from the east. Do I understand from what the minister now states that owing to the increased prices of American coal the government will maintain practically the same geographical limitations, but that the cost by way of subventions will be less? Is that correct?

Mr. GORDON: That is substantially the situation.

Mr. McKENZIE (Assiniboia): Does the minister contemplate any change in the subvention that has been given to the lignite fields of the Estevan and Bienfait areas in Saskatchewan?

Mr. GORDON: If any change takes place with respect to the Estevan field it will place the operators in the same relative position with respect to their competitors from Alberta and the Crowsnest pass as before the change. But the change that will be made has not yet been determined because the question is rather a complex one.

Mr. BROWN: Do any of these subventions apply to coal coming into Manitoba?

Mr. GORDON: Yes, the subventions apply to all industrial coals coming into Manitoba from both Saskatchewan and Alberta.

Mr. McINTOSH: Does the movement of coal from the west extend farther east than Winnipeg or does it stop there?

Mr. GORDON: So far as railway coal is concerned, the subventions apply as far east on the Canadian Pacific as the Ignace division, and on the Canadian National as far east as Sioux Lookout, those two points being the same distance from the mines although one movement comes further into Ontario.

Mr. McINTOSH: How far west do the subventions on Nova Scotia coal apply?

Mr. GORDON: The furthest west that Nova Scotia coal has been shipped is Stratford and London, Ontario.

Mr. CANTLEY: Mr. Chairman, representing as I do one of the important coal counties in the province of Nova Scotia I think it but due that I should bear some testimony to what has been done by the minister and by this government in recent years to increase our coal traffic as between the maritime and the central provinces. Last year we shipped Nova Scotia coal to eighty-eight towns and cities in the provinces of Quebec and Ontario to which we had never before shipped any coal. These subventions were inaugurated in 1928 and in that year we shipped 114,000 tons, while last year we shipped something over 1,400,000 tons the movement of which added something over a million dollars to the revenues of the Canadian National Railways. So far as Nova Scotia was concerned, this simply meant the difference between a lack of employment and a very considerable amount of employment for our people, and thereby decreased the amount of money necessary to be spent on unemployment relief. For these results, I desire to thank the minister and the government.

Mr. McINTOSH: I was unavoidably out of the chamber when the items covering soldier settlement were taken up and I should like to know if an opportunity for discussion will be given when the bill to which the Prime Minister referred to-day in answer to a question I put on soldier settlement, is under consideration.

Mr. GORDON: I do not think there will be any difficulty when the bill is in committee.

Item agreed to.

Fair wages and inspection, $11,000.

Mr. BRADETTE: During last winter there was a considerable movement in the town of Timmins to have the fair wages policy applied to all relief work. I think the minister knows that during the last three years the fair wage clause has not been applied to relief work in northern Ontario. This year the wages are much better, in some instances having been increased by two hundred per cent, and I should like to know if the minister has received any resolution in connection with this matter from the town of Timmins.

Mr. GORDON: I have no present recollection of having received any such resolution, although one may have come into the department.

Item agreed to.

Administration, Old Age Pensions Act, $2,000.

Mr. HANBURY: It has been drawn to my attention that no provision is made for burial of old age pensioners who die. I would suggest that the government give some consideration to this matter.

Item agreed to.

Mr. BENNETT: We will leave the penitentiary item; there may be some further discussion and the Minister of Justice is not here.

MISCELLANEOUS

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

Mr. HANBURY: This is a new item. I think it would be well to have some explanation of what it comprises.

Mr. BENNETT: I indicated some time ago that the other dominions, after the agreements of 1932, were spending substantial sums in advertising in various ways, and after discussion with the High Commissioner it was thought desirable, in cooperation with the Department of Trade and Commerce, that we should use a larger sum of money for the purpose of advertising Canadian products in Great Britain and on the continent. This represents the sum total—I wish it were a larger sum—of what we are able this year to devote to advertising our products in the United Kingdom and in that part of the continent that purchases our products.

Mr. STEWART (Edmonton): Is the policy, instituted some years ago, still being carried out, of assisting firms anxious to increase their business, or is this direct government advertising?

Mr. BENNETT: This is direct government advertising of all the departments and all the services, under the direction of the High Commissioner and in cooperation with the various departments, but notably with the Department of Trade and Commerce. This grant refers purely to publicity of the government itself.

Mr. STEWART (Edmonton): Then the former practice of assisting firms has been discontinued.

Mr. STEVENS: A trial was made, and while I will not say it was unsatisfactory it was not deemed desirable to continue it.

Mr. STEWART (Edmonton): We voted $50,000.

Mr. STEVENS: Yes. It was a laudable effort but there were so many demands that it would not have been satisfactory; in fact, it would have involved a very large sum and would not have been as effective as the method now followed.

Mr. HANBURY: Is this advertising of commodities or of services, or is it just general advertising?

[Mr. Hanbury.]

Mr. BENNETT: Those members of the house who have been recently in London will recall the advertisements of South Africa and Australia on hoardings, in newspapers and in displays of the products of their countries in various windows. This publicity involves all newspaper advertising, all display advertising and every form of publicity undertaken by the government under the direction of a head who was appointed by the previous administration and who was in charge of publicity in the United Kingdom. At the moment their activities are coordinated under the High Commissioner and the several departments make their various representations. One can now see displayed on some of the vans that travel about London the names of Canadian products. It was for that purpose that we decided to use the words "maple leaf" as distinctly Canadian. The Minister of Trade and Commerce has been endeavouring to promote the use of those words as a designation specifically applicable to Canadian products in Great Britain, and the movement to which attention was directed by the press a few days ago, undertaken by the High Commissioner, to have a mission to Canada is really a form of advertising growing out of this effort to make known Canadian products. The effort, by advertising, to stimulate an improvement in quality and standardization is the domestic reaction to the effort that has been made in Great Britain and on the continent to make our products known. It includes all forms of advertising that are carried on under the direction of the High Commissioner. I only wish we could spend a larger sum. The other dominions are spending greater sums than we in advertising in Great Britain. The High Commissioner had been noticing a particular form of transport in London travelling over every part of the great city, and he conceived the happy idea of utilizing one side of these vans for the purpose of advertising Canadian products, as had been done and is still being done by our competitors in that market. Anyone who knows the excellent advertising methods adopted by the people in the United Kingdom will realize how essential it is that we should resort to similar methods to sell our products.

Mr. HANBURY: I quite agree with the Prime Minister as to the desirability of advertising, but the particular question in my mind is whether that advertising is specific or general, whether we advertise apples and other fruits or wheat or lumber.

Mr. STEVENS: It is skilfully, efficiently and scientifically carried out. The chief agent of the Canadian government, Mr. Geraghty, who has been there a great many years, is, as I think those who know him will agree, one of the most resourceful and competent advertising men we could possibly have. All sorts of commodities, bacon, apples, fruit, tobacco and so on, are advertised in the most attractive displays.

Mr. BRADETTE: The Prime Minister has referred to advertising in Europe. I think he should be more specific, because there are some parts of Europe with which we do not deal. Just what is meant?

Mr. STEVENS: Naturally, in many countries in Europe there is not much done. But there are some countries such as Belgium, Holland, Switzerland, and perhaps Germany and France, in which a certain amount is done, and in the Scandinavian countries, Norway, Sweden and Denmark, there is a certain amount done.

Mr. STEWART (Edmonton): Has the minister given up advertising through the large fairs?

Mr. STEVENS: No, we still carry that on in a limited way.

Mr. STEWART (Edmonton): I would much rather see the minister spend more money in this way and drop the fair business. I never believed we got value for that expenditure.

Mr. STEVENS: Our expenditures in the fairs are limited, but there are certain fairs that are widely recognized and we patronize them.

Mr. NEILL: The minister, I thought, indicated that he was rather stressing the maple leaf as a symbol. Has Canada abandoned the use of the beaver, and does he not think the beaver would be a more arrestive symbol than the maple leaf, which is not very distinctive? To the people, say in London, a symbol like the beaver would be more arrestive.

Mr. BENNETT: The beaver is difficult to use effectively on certain types of products; in some instances it looks rather like a rabbit when it is finished up. All I can say is that after a great deal of consideration the authorities seem to think that the maple leaf brand was the best single symbol that we could take for the purpose of making known as largely as possible our products. There is belonging to a private enterprise a brand known as the Maple Leaf brand and efforts to have the matter disposed of have not yet been concluded.

Item agreed to.

To provide for salaries and expenses of the tariff board—payments may be made notwithstanding anything in the Civil Service Act or regulations thereunder, $120,000.

Mr. NEILL: Could the Prime Minister give us any indication when we may have the decision of the Supreme Court of Canada?

Mr. BENNETT: No, I cannot, but I should say within the next two or three weeks. The custom is to deliver judgments sometimes during term, but usually at the conclusion of it. My inquiry the day before yesterday resulted in my being informed that there were ten or twelve cases yet to be argued. As soon as the decision is made known I will communicate it to the house.

Item agreed to.

Grant to Canadian Council on Child and Family Welfare, $12,600.

Mr. STEWART (Edmonton): I see there is an increase in this particular grant. Is this the result of the Canadian Council on Child and Family Welfare taking over more work?

Mr. BENNETT: The arrangements made by the minister contemplate an extension of the services through the voluntary efforts of the organization known as the Canadian Council on Child and Family Welfare, which has been operating to some extent through the voluntary efforts of individuals with money supplied by insurance companies and others interested in the welfare of the people of the country, and the devotion to child welfare of substantial sums of money by these private institutions has induced the minister to consider it desirable to unite our effort with theirs as an experiment. The increased amount is a result.

Mr. BLAIR: I have before me a child welfare magazine from Alberta and it contains a protest; it states:

Protested to the Hon. R. B. Bennett, Premier of Canada, the action of the Department of Health of the Dominion government in closing its child welfare division, and assigning the work of this division to a voluntary organization, the Canadian Council on Child and Family Welfare. The council felt that such an action by the government was a decidedly retrograde step in the public health work of the Dominion of Canada.

While appreciating the good work the Canadian Council on Child and Family Welfare was doing in the child and family welfare field, it protested its action in acquiescing in the Dominion government closing its division on child welfare. The Calgary Council on Child and Family Welfare felt that instead of attempting to assume the duties of the state the Canadian Council on Child and Family Welfare should have been a factor in striving to develop and strengthen the work of the government along the lines so ably begun and developed by Doctor Helen MacMurchy, while chief of the Child Welfare division.

In 1926 a protest came in from the different medical councils and from the county associations because the death rate among the children in Canada was so high, and maternal mortality was also very great. Many complaints were received. Doctor MacMurchy took the matter up in 1926 when the greatest number of complaints came in, and by her efforts the rate of child mortality, which was ten per cent that year, was greatly reduced. In the last three or four years the maternal mortality has also been considerably reduced. I do not say that this is due to the activities of Doctor MacMurchy's department, but I think the work is being amply provided for by the provincial government. I do not think the work should be taken out of the hands of the Department of Health; surely, if this is a medical department, a doctor and not some person who is merely a graduate of Queen's university should be in charge of the situation. While such graduates may be extremely capable, as I believe they are, and very enthusiastic over the work—and I have no fault to find in that regard—when we come to make an investigation from a medical standpoint, surely that requires a doctor and not some graduate of Queen's university with the degree of B.A. or M.A.

Mr. BENNETT: The matter to which the hon. member has referred is one of very great importance not only to this chamber but to every citizen of Canada. Doctor Helen MacMurchy was head of a division, if it might be called by that name. She retired, having reached the compulsory retiring age. The question that the minister had to consider with the aid of the deputy and his assistant was whether it was desirable to link the activities of the department with that of the Canadian Council on Child and Family Welfare which had been doing the direct service. It will be remembered that the dominion does no part of the direct service, the provinces are concerned with that. And it is under the direction of the provincial boards of health that the work in detail is carried on. The federal department has no doctors that go into the homes, no medical attendants that visit the communities; but the provinces maintain their health centres and provide medical attention in municipalities and communities. The child welfare council is sustained by private subscriptions, largely from insurance companies because they are interested in the prolongation of human life and in the general welfare of the state. On the advice of the deputy minister, and having gone into the matter with care, the minister submitted that the best interests of the country would be served by at least making the experiment. It must be recalled that the major part of this money in the child welfare division was paid as salaries. The resolution to which the hon. gentleman directed attention was received by me. It does not represent, I am sorry to say, very exact knowledge with respect to the matter. Had they taken the trouble to make inquiry they would not have passed the resolution in the terms in which it was passed. The fact is that the appropriation by this house for the child welfare division was largely utilized for salaries—that is, the federal side—while the provinces were carrying on the work they were, and the child welfare council the detail work to which I have referred. This is an experiment, if you may designate any agreement of this type as such, to coordinate the efforts of the state, in a matter which is largely within the jurisdiction of the provinces, with private effort. It has been exceedingly successful and I believe will result in great benefit, much greater than could result from maintaining the word "division" for the purpose of paying a salary to an official who might be at the head of it.

Mr. STEWART (Edmonton): I am not objecting to the increase in the grant, because I am not at all familiar with the change that has taken place, but I know it is the only grant to organizations of this kind that has been increased. I am not aware of the additional work that is being thrown upon the officers in charge of this organization. I have sometimes wondered if it would not be well to leave these services to the provinces. But heretofore we have been making these grants.

I want to refer to No. 242, mental hygiene. There has been a paring down of this grant.

Mr. BENNETT: The ten per cent reduction, that is all.

Mr. STEWART (Edmonton): Not only this year but in former years. It seems to me rather strange that the appropriation for so important a work as that of mental hygiene, with which many of us are quite familiar,

should be reduced. The propaganda they have carried on is of great benefit. I do not see why that should not be done by the provinces, but we have established the principle of assisting these organizations. I do not understand why one in particular is chosen, child welfare, which is certainly a provincial undertaking, to receive an increased grant, while the others are cut the usual ten per cent that runs through all the appropriations this year. I can hardly agree with the statement made by the Prime Minister that this is of sufficient importance to warrant an increase at this particular time, if the others are to be cut down. If the others are to be treated in the same way, I have no objection.

Mr. BENNETT: If I do not interrupt, it is a lesser sum of money that is being used; this contribution, which was used in the welfare division for one purpose, namely for salaries, is now being used for the purpose of promoting the work, without any additional staff. The minister is not here this evening. I have not brought with me the correspondence, because I had not expected to be dealing with it. If the committee desires I am content that it stand in order that they may have the information.

Mr. BLAIR: I am not claiming that this grant should not be given, but I feel that looking after medical health is the duty of the provinces. The rate of maternal mortality in Canada is extremely high, 5·8 per thousand. In Italy it is only 2·7. We are an extremely barbarous country in regard to maternal mortality. In infant mortality the rate for Australia is 47 per 1,000 and for Canada, 89, almost twice as much. New Zealand is 35 per 1,000. I do not say this grant should not be given, but I do say it should be given to some medical department or some doctor who would have charge. The Prime Minister says they do not come in contact with the individual; that is true, but I have some seventy-five different books and publications of different types—not all with me—that are sent out through the provinces, especially Ontario; I cannot speak for the other provinces. These are paid for by this organization. It is said they are free, and I think that is right. The grant from this government is, I believe $3,600, while the insurance companies give about $10,000, and churches and other organizations, such as the Rotary club, also contribute until they have altogether about $30,000. This organization is operating as a federal government organization for medical health. I cannot understand how any person who was formerly a stenographer, I do not care if she is a graduate of Queen's, can take charge of a medical department. This is medical literature; it ought to be written by doctors. There are plenty of doctors in Toronto or Ottawa who are on relief, and this work should be done by medical men. I would have no objection, for that matter, if the grant were cut off entirely, because I think Hon. Mr. Robb was quite capable of looking after Ontario without any assistance from any graduate of Queen's.

Mr. CANTLEY: I am at a loss to think what better deserves our consideration than the matter which I understand we are now dealing with. In my home town of New Glasgow we have had for some years a baby clinic. That institution is visited daily by the doctors, and once or twice a week children, from a week old to three years or thereabouts, are brought there by parents or nurses and weighed and measured and records kept of their growth. The doctor gives the mother advice as to food, care and treatment. In my judgment that is a most important and valuable service, yet we talk about a few thousand dollars for it and we throw away $300,000 annually on the League of Nations without fifteen cents' worth of return to this country. I put these two expenditures before you as a matter of contrast; which better deserves the support of this house and this government and this country? Any man who gives the matter consideration must reach but one conclusion.

Mr. STEWART (Edmonton): None of this money goes to the institution the hon. member speaks of—not a nickel.

Mr. CANTLEY: Well, we are aiding the provincial government. This is a vote in aid, as I understand it.

Mr. STEWART (Edmonton): No.

Mr. BENNETT: Not this one.

Mr. DONNELLY: The whole objection we have to this is the duplication of service between the dominion and the provinces. We agree that it is a very important work, but as far as the work of this department is concerned in western Canada we know nothing about it. We hear about our own provincial work, and the work carried on in the provinces, but we do not hear about the work carried on by the dominion. It may be done down here in the east, but we do not know. Who pays the salaries, who are getting the salaries, and how much is paid in salaries?

Mr. BENNETT: The hon. gentleman is aware that the Department of Health came

into being during the term of the Union government, and the child welfare division was established. In 1928 the Department of Health was allied with the Department of Pensions. The functions of the Department of Health, federally, certainly to some extent overlap the functions and duties discharged by the provincial boards of health. But the federal body was to be a coordinating body, and ever since it came into being it has brought to this city once a year the heads of the health departments of the provinces. Here, under the direction of the deputy minister, they have met together, discussed their problems, decided upon uniformity of regulations and legislation, and, if the hon. member, who is a medical man, would take the trouble to look into the matter, he would find that the services they have rendered to this country are incalculable. It has brought about uniformity of action; it has brought about improvement in what I may term sanitation, and in public health standards. It has resulted in the formulation of uniform policies.

The hon. member who spoke about the literature distributed in Ontario, the dental clinics which operate the provinces, and the efforts made to supply prenatal care in communities far removed from the larger centres, is fully aware of the fact that the federal administration has been responsible for bringing together the representatives of the health departments of all the provinces, and formulating the very policies to which he has referred, to the end that a measure of uniformity and the best known practice with respect to these matters should prevail. The hon. member for Willow Bunch is quite correct in saying that naturally in the western provinces they come more closely in contact with the provincial authorities, but the cooperative effort that is made on the part of the federal and provincial authorities to arrive at uniform standards and to improve working conditions with respect to the development of health policies any medical officer in any of the western provinces will tell you has been exceedingly great. I know that from my own observations when I was actively associated with the work of the Red Cross at a time when they were establishing hospitals in the very remote sections of northern Alberta and British Columbia. One knows, for instance, of the work of the voluntary organization which has been meeting in this city, the Victorian Order of Nurses, founded by Lady Aberdeen. Of course, they do work for one of the insurance companies for which they are paid, but in addition to that, so far as they can, they look after the various sections of the country. And the coordinating effort of the federal Department of Health has ensured the prevention of duplication of effort on the part of voluntary organizations with governmental instrumentalities. That has been great in the northern part of the western provinces. I can only assure the committee that if further knowledge is desired as to the details of the working out of this matter, the minister, who did not know this subject would be discussed to-night, would be glad to supply it. But with respect to salaries the point is that instead of appointing a successor to the late head and maintaining salaries it was decided to use that money for the purpose of actual work with the children, as the present child welfare council has been doing.

I deprecate the statement of the hon. member for North Wellington (Mr. Blair), with respect to the graduate from Queen's having once been a stenographer, and I think upon reconsideration he will withdraw it. Lord Russell of Killowen, one of the most eminent judges, was at one time a stenographer, and Charles Dickens, the great novelist, in his younger days learned something of it. The fact that Miss Whitton, who has undertaken this work and is a graduate of Queen's was at one time secretary to a minister in a government sitting opposite to the party now in power, and that she has not only attained a place and position in this country but certainly is recognized as one of the best known Canadian women social workers at Geneva, reflects no discredit upon her. During the last ten days she has been representing this country with great distinction in London. I mention that fact because I think upon reconsideration it will be found that if each one of us, when we have to give account for the work we have done, is able to say he has done his work as well, as faithfully and as fearlessly as she has, he will not have any cause to be ashamed of his record.

Mr. BLAIR: Mr. Chairman, I rise to say that I did not cast any reflection upon Miss Whitton because of the fact that she had been a stenographer. That was not my intention. I believe I complimented her upon being extremely capable, and it is no reflection upon anyone to accuse him or her of being a stenographer. I do think, however, that although she may be a first class stenographer or a first class graduate of Queen's, or an M.A—which I think she is—when she is taken out of that class and put into a medical department I say she is not competent. I do not think you can transfer a person from one profession to another. Neither am I speaking

unfavourably of the work that has been done by this organization. Under Doctor Helen MacMurchy splendid work was done; I believe I have said that. But now the work has been taken out of her hands and put into the hands of a university graduate. I believe my sentiments are reflected by some of the leading men in Toronto. I say that this work should have been placed in the hands of a medical man who would be more likely to have a better knowledge of the work than would a university graduate who had not studied medicine or was not even a graduate nurse.

Mr. BENNETT: I wish only to correct one statement. The work was not taken from Doctor MacMurchy. Doctor MacMurchy was retired because she had passed the age of seventy years; that is the reason. But in addition to that, the medical men are still doing the work they have always done with respect to this service—possibly they are doing a little more. But the executive driving power behind it is that of the head of the organization selected and paid not by us—because we pay her nothing—but by the voluntary contributions of an insurance company which regards the services rendered as being of the very first importance.

Mr. STEWART (Edmonton): As I said before, I am not objecting to the grant, nor am I objecting to the selection of Miss Whitton. I think perhaps the society were particularly fortunate in choosing her, because she has been able to obtain an increased grant for the society from the government.

Mr. BENNETT: No, no.

Mr. STEWART (Edmonton): Well, what does the $3,000 mean, if it does not mean an increased grant? All of these are grants. I think she is to be commended for her ability to obtain an increase when others in similar positions are cut down. They all sustain the ten per cent cut, with the exception of this particular grant. I am not complaining, but rather commending her upon her ability to secure more money for the particular society in which she is interested, and I am assuming that she is doing splendid work. But I do wish to say to the Prime Minister and to the committee that the remaining grants are just as important as this one. In fact, the grant to the blind is in my opinion even more important, yet it has suffered a reduction, along with the others. That is my complaint at this time. Had this society of which for the moment Miss Whitton happens to be the representative received the same treatment I should not have had a word to say, except to express my regret that it was necessary to cut the grants. I do think they are important, and I believe that sooner or later something will have to be done for the unfortunate blind in this country. I simply want to voice my regret that this particular grant is chosen as the only one to receive an increase while all the others receive the ten per cent cut.

Mr. BENNETT: In view of the observations which have been made, absolutely unwarranted because there has been no increase in the grant, I shall ask that the item stand. The point was that new services were undertaken and the money that had been used by the department in one way is now to be used to pay for additional services to be rendered under contract.

Mr. STEWART (Edmonton): What particular grant is it taken from?

Mr. BENNETT: This sum of money that was used for salaries in the department is now being used to pay for services to be rendered. But the matter is so important in view of the statements that have been made that I cannot think it is proper for me to allow it to pass without having the documents presented to the committee. I shall therefore ask, Mr. Chairman, that the item stand.

Item stands.

PUBLIC WORKS—MISCELLANEOUS

Architectural branch—salaries of architects, clerks of works, inspectors, draftsmen, clerks and messengers of outside service, $63,700.

Engineering branch—salaries of engineers, clerks, etc. of outside service, $366,000.

For operation and maintenance of inspection boats, $10,000.

Maintenance and operation of water storage dams on Ottawa river and tributaries, $23,100.

National Gallery of Canada, $25,000.

National monument on Connaught place, $100,000.

Surveys and inspections, $55,000.

Balance of expenditure for works already authorized provided amount for any one does not exceed $200, $4,500.

Miscellaneous works not otherwise provided for, not more than $3,000 to be expended upon any one work, $50,000—Total, $697,300.

Mr. STEWART (Leeds): This item was before the committee on a previous occasion when every detail was discussed but the item was allowed to stand because the hon. member for Charlevoix-Montmorency had asked for certain information. Since then I think he has obtained the information he desired. I suggest that the item be passed on the understanding that as we have some sup-

plementary estimates, and if the hon. member desires to ask any further question or requires any additional information, I shall be pleased to furnish it on the supplementaries.

Item agreed to.

Mr. BENNETT: What would be the sense of the committee as to taking items 44, 45, 46 and 48 on the understanding that there will be an opportunity for any further discussion that is desired on any one item?

Mr. VALLANCE: I think item 44 should stand.

Mr. MOTHERWELL: We were promised an explanation with respect to item 44, Experimental Farms, the amount of the vote being $1,815,000.

Mr. BENNETT: We can pass items 45 and 46, if the committee thinks well of it—

Mr. DUFF: On the understanding that they can be fully discussed on any one item.

Mr. BENNETT: Yes.

DEPARTMENT OF AGRICULTURE

Entomology, including investigations and inspections relating to destructive insects and pests, $350,000.

Mr. MOTHERWELL: This vote has been reduced now from year to year. One part of it has disappeared altogether, and the rest has been very seriously reduced in the face of one of the worst plagues of grasshoppers that Canada has ever seen. An item went through the other day which I thought we should have had an explanation of, with respect to plant diseases. But here we are dealing not with a plant disease but with a pest disease, and the vote for it has been shot —well, I won't say where, but it is not all here.

I saw a dramatic photograph in one of the local papers of the battle that was going to be waged against insects this year. It was well done, one of the best displays of what this government should be doing but is not doing with regard to this pest that is right upon us. There are enough grasshopper eggs in Saskatchewan now to destroy two-thirds of our whole crop if they get a proper hatching, and they are hatching to beat the band at ninety in the shade. The battle is on and all the ammunition is absent so far as this government is concerned. All the government's artillery seems to have retired to bombproof caves.

Mr. BENNETT: That is wholly incorrect.

Mr. MOTHERWELL: We will see if it is incorrect. Let us see if the Prime Minister knows more than the Minister of Agriculture does about it. Let us see what they are doing in the United States to-day to combat this plague. Let me read to you what the battle is going to be like across the line. The government at Washington are on the ground; they are not two thousand miles from the battlefield with their ammunition reduced, as ours is in the form of these much reduced estimates now before us—less than half of what the vote was in 1931. What are they doing in Montana, Minnesota, Idaho, Nebraska and several other states? Here are the grasshopper plans of the United States as outlined at a meeting by Dr. J. R. Parker, of the Department of Agriculture of the United States, who discusses the control problem with the spring wheat millers. The item reads:

Dr. J. R. Parker, chief entomologist of the United States Department of Agriculture, who is in charge of all field work in connection with the government's grasshopper eradication campaign, met with a group of spring wheat millers in Minneapolis, March 6, to discuss the situation. He added that the house had passed the appropriation bill for the purchase of the necessary bran and other supplies but that the senate had still to act.

Here is another item headed "Grasshopper bait fund before senate committee." It reads:

Washington, D.C.—The $2,000,000 appropriation for grasshopper eradication, which is part of the general appropriation bill, was considered by the senate committee, March 5, with the probability of its approval. The bill passed the house last week. The Department of Entomology is prepared to contract for bran for making poison bait as soon as the authority is given, but can do nothing further until then.

I have not followed that up further to see what happened, but evidently the appropriation had passed one house and was likely to pass the other. That is their intention, at all events, across the line, but what are we doing here? If only our friends opposite had even pious hopes or intentions of doing something of this nature! But this government is leaving it to three impoverished provinces, which it knows are on the verge of bankruptcy, to fight the battle alone, except for advice and expert supervision. Hon. gentlemen opposite have retired into their cellar to let George do it, while in the United States the federal Department of Agriculture is out to fight this battle on the other side of the line to the tune of $2,000,000. Does the Prime Minister say I am not wholly correct?

Mr. BENNETT: Yes I do.

Mr. MOTHERWELL: Then get up and show me.

Mr. BENNETT: I am not quite sure whether to be amused at or sorry for the statements that have just been made by the hon. gentleman. This is a vote dealing with pests. It has no reference to the hon. gentleman.

Mr. MOTHERWELL: I will turn on the juice so that I can hear this.

Mr. BENNETT: This is a vote for "entomology, including investigations and inspections relating to destructive insects and pests." Technically there is nothing to be learned by Canadian scientists with respect to grasshoppers. Even the ordinary boy passing through school is able to tell you the habits of the grasshopper. All that was long since known. That the grasshopper is a pest is well known. That it has worked incalculable injury in the United States is also well known. It came to Canada from the United States. As a matter of fact large numbers that are now in the western provinces came to this country from the United States. The chief entomologist of the United States has been having a meeting with the millers and telling them that one house of congress has passed an appropriation and the other house is thinking about it. That is the illustration we are given of the high standard of excellence which characterizes the efforts of a government in some other country, entirely overlooking the fact that in the country in which the hon. gentleman lives steps were taken, not to meet the millers and have a talk with them, but to deal with the governments as to how the grasshoppers were to be destroyed.

Mr. MOTHERWELL: What did they do?

Mr. BENNETT: They provided the money to enable that to be done. This government cannot go on to a man's farm in Saskatchewan nor can it legislate to do so. The provincial governments have sole and complete control in Alberta, Saskatchewan and Manitoba. When they represent to us that loans are required and assistance should be given, the Minister of Agriculture (Mr. Weir) takes the appropriate steps. I ask any hon. member from these provinces: Has he any complaint to make as to what this government has done?

Mr. DONNELLY: I will name one right now. Last fall they came through my district and started propaganda on how to kill grasshoppers. They were asked by the municipalities if they would send in feed, but that feed arrived after the ground had been frozen and no work could be done. Two carloads of oats came into the municipality after the ground was frozen up.

Mr. BENNETT: Which government was that?

Mr. DONNELLY: I suppose it was the provincial government, but you were supplying the money and they were not doing the work.

Mr. BENNETT: I think the hon. member for Willow Bunch (Mr. Donnelly) was a little premature. The thing to do is to get the provincial government started with a campaign of propaganda for the destruction of grasshoppers in the province. The program in Saskatchewan was somewhat more intensive than the one carried on in the United States, and what is more, it was carried on in the fall rather than waiting until the spring. If the hon. gentleman who knows so much about it will inquire as to what was done by the provincial government last fall and the steps taken to supply bran and poison and preparations for the destruction of the grasshoppers this spring, he will realize that at least it is not the fault of any government if the destruction is not complete. I have before me not only the statement made by the minister as to the steps taken, but every request they have made to us for necessary assistance in order that they may discharge their duties, we have met. We have met those requests just as fully as the congress of the United States met theirs. Our scientists have been as active and the propaganda has been more intense than it was in the United States, and this was carried on last fall, not this spring.

Mr. DONNELLY: There was a great deal of propaganda around last fall, but it was all propaganda.

Mr. MOTHERWELL: Propaganda alone will not kill a grasshopper.

Mr. DONNELLY: They went around and talked about what to do to kill grasshoppers, to do so much ploughing and so much work around the summer fallows in order to keep the grasshoppers out. Anyone who lives in that part of the country knows that after the middle of October you are quite likely to have a freeze-up and cannot do any work. The propaganda was started in September but the oats did not come out until the end of October or the first of November when the ground was frozen. Feed was not supplied to the people when it should have been supplied.

Mr. VALLANCE: I should like to clear up this matter. Are we to understand that the assistance being given by the federal government for the destruction of the pest known as the grasshopper is not to come out of this item?

Mr. BENNETT: It depends upon what the hon. gentleman means. If he means the monetary assistance given to Saskatchewan, that was not under this item; it was under the relief measures.

Mr. VALLANCE: I have in my hand the estimates for 1934-35, and these include a vote of $350,000 for entomology, including investigations and inspections relating to destructive insects and pests. In 1933-34 the vote was $399,946. I have the estimates for 1931-32—I keep them just for reference—and I find that entomology is not included with the administration of the Destructive Insect and Pest Act. In that year the vote for entomology is $35,000 and the vote for the administration of the act, $705,000. In 1930-31 there was a vote of $675,000 for the administration of the act and $30,000 for entomology. I could enumerate many others but I should like the Prime Minister (Mr. Bennett) to tell the committee how it is possible, in view of what the hon. member for Melville (Mr. Motherwell) has just said, to reduce this item to the figure it is this year.

Mr. MOTHERWELL: It is just half what it was in 1931.

Mr. VALLANCE: This year it is $350,000 as compared with $399,946 last year. What are the reasons for the reduction?

Mr. BENNETT: There are always those who think that the expenditure of large sums of money indicates efficiency and effectiveness. The fact that $750,000 was spent one year presumably resulted in the elimination of the pests and the same amount was not required to be spent the next year. There should be a reduction in expenditure when the pest disappears. That is only logic. That is why the grant for the destruction of cattle affected with tuberculosis is much less this year than it was two years ago. That is why there will be an increase in the cost because of the outbreak in Quebec to which reference was made this afternoon. The same situation has developed with respect to insects and pests. This is all educational work; the federal government does not carry on the specific operations for destruction. It makes known and brings to the minds of the people knowledge, first, the character of the pest; second, the habits of the pest; third, the methods by which the pest may be eliminated; and, fourth, educational addresses are delivered throughout the communities affected as to the threatened danger of a pest in their locality. All this has been done in this country for years, and the result is that a lesser sum is now being expended for that service. The sum asked for here is ample for the necessities of the service. It may well be that three years hence some new pest will rise up; there may be a Liberal government in power and it will be necessary to expend larger sums of money for its elimination.

Mr. VENIOT: You are confusing the governments.

Mr. BENNETT: I merely mention that in passing. Knowledge is progressive, and the educational program carried on by the federal government is for the purpose of making known to the people the dangers incident to these pests. The provinces have always had to deal with the specific destruction of the specific pest. In this instance the sum asked for is ample for the purposes sought to be achieved, but the actual destruction of the grasshoppers bears no relation to this vote. There has never been any complaint that there is lack of knowledge on the part of the people, and the hon. member for Willow Bunch (Mr. Donnelly) has said that a great deal of propaganda was carried on last fall. I am able to express an opinion only from reading, and my knowledge is necessarily limited. But from what I know, from reading, as to what has been done in Saskatchewan and in some parts of Alberta and Manitoba, the propaganda was I thought very intense; and I ventured to think after they related to me what had been done, and after I had read what had been done, that they had made a particularly good job in anticipation of the spring. The danger time is in the spring of the year, and every possible effort has been made by the province to meet that situation. In fact, representatives of the government came here to request an extra loan in order to deal with the situation, and within the last few weeks an extra loan was made to enable the province to cope with its difficulties, because of its lack of financial resources to carry out what it conceives to be a very necessary and important task.

I do greatly deprecate the thought that the reduction in the size of an item indicates that there has been neglect, because we hope that as the years go by what we do with respect to herds of cattle in the country will obviate the necessity of the work being done over again.

I remember that only a few weeks ago an order in council was passed in which provision was made for retesting a small section of the country where a few short years ago a very large sum of money was expended to defray the damages that had arisen by reason of the herds in that locality having been infected with disease.

The whole problem is one of education, of appreciation of the difficulties, and of meeting the situation by adequate measures which scientists have devised and made known to the people. And this vote is ample for the purpose for which it is requested. It is not my duty to be familiar with every item in the estimates. The minister will be available if it is desired; he was called away, though he had intended to remain here. I would not for a moment ask this committee to adopt an item in respect of a matter of this kind in which they thought there had been dereliction of duty on the part of the government in providing ample funds to meet the necessities of the situation.

Mr. VALLANCE: If the Prime Minister will look at the estimates he will find that he is linking together two items, tuberculosis and glanders. That is taken care of by the provision for health of animals. I do not wish to enter into any altercation with him, and I pay tribute to the staff of the experimental farms for the part they played last fall in doing the very thing which the Prime Minister says this vote is intended to accomplish, namely, spreading propaganda and educating the people. For the first time in twenty-eight years, in that part of the province in which I have been privileged to live, we have not had any such pest as necessitated anyone coming in.

Mr. BENNETT: Then no money had to be spent.

Mr. VALLANCE: And that is what I am complaining of. In 1931-32 there was a vote of $705,000 and in 1934-35 the vote is only one-half of that; though the Prime Minister, I fancy, is as well aware as I am of the fact that so far as the west is concerned the grasshopper pest to-day extends from Eagle Hills, south of Battle river, clean south to the Saskatchewan river, or between the two Saskatchewan rivers. If he tells me that less money is needed to-day to provide the necessary education—

Mr. BENNETT: That is not what I said.

Mr. VALLANCE: Then if it was necessary in 1931-32 to have $705,000 I should think that double that sum would be needed in 1934-35 for educational purposes.

Mr. MOTHERWELL: I think I will have another little whack at this. I would not mind letting the matter stand until the minister comes back, but I would just as soon take a round with the Prime Minister now, especially since he has tried to discredit the statement I have made. I did not follow up the American vote, but I do know that when the Roosevelt government brings any measure in it is likely to go through, and a vote of this kind did go through last year. The states in the American union to which I have referred are like our provinces; they are right up against it financially, and when there is a plague like grasshoppers we find the American government coming to the assistance of the farmers to the tune of two million dollars. But this government retires, as I have already indicated, to its bomb-proof cave and reduces its ammunition by one-half for this class of work. We find that previously there were two sums, $707,000 plus $35,000, making over $740,000, and that is twice as much as we have for entomological purposes this year. If the Minister of Agriculture were here he would at least tell us that by a more efficient handling of the money they were able to do as much work as they did formerly with a larger vote. He has been trying to put that across and we have been accepting it, but not in toto, intimating that we did not quite accept it. But the Prime Minister has not had ingenuity enough to take that ground; instead he tries to discredit what has been done in the United States, where certain states are in the same position in this regard as our western provinces. The difference between the United States government and this government is that they came along with assistance to the tune of two million dollars whereas my hon. friends have retrenched to the extent of $350,000 for pests generally. That is the difference.

I will tell you what apparently the Prime Minister does not know. For the sake of argument we will say and it is actually so in normal times, that this work belongs to the states in the American union and to the provinces in Canada. But is there not a vast difference between voting $740,000 in 1931-32 when there were no grasshoppers and voting $350,000 when there is a grasshopper plague? The right hon. gentleman takes the ground that the reason the vote has been reduced is that the pests are receding; the less pests the less money needed. But are they receding? Does not all the evidence go to show that we are confronted with the worst invasion of grasshoppers in the history of Canada? My

right hon. friend says that they are receding. Well, that is what I call stretching a pretty long bow, though not, I hope, intentionally. But he merely says something for something's sake that doesn't amount to much. If it were the other way about, $350,000 voted when there were no grasshoppers in 1931-32 and $740,000 voted now that there are grasshoppers and other pests, that would be something that one would expect. But the right hon. gentleman is right up against it for an argument. When the Prime Minister of Canada cannot squeeze out of a hole it is because he is too far in to get out. With his facility of speech he can get out of almost anything, but he cannot wiggle himself out of the difficulty he has got into now. The fact is that the grasshoppers are there by the tens of millions, ready to eat the crops. The trouble was, the poison was not there last year for the last lap. Talk about propaganda! How much propaganda will it take to kill a grasshopper? Far more than my hon. friends can spread. If you don't get the dope into the grasshopper how are you going to get rid of it? What was lacking in the fight last year was poison and a good deal of the effect of the early campaign was lost because the grasshoppers were allowed to reach the stage where they took flight, going into and beyond the region of my hon. friend from South Battleford. The more you kill when they are small the less there are in the flight season. The flight was carried to within ten miles of my own farm, and I am sure that if the grasshopper campaign had been strong enough last year their flight would not have extended half the distance it did. But in the absence of sufficient poison the grasshoppers grew and took flight, seeking pastures new. And they found them in that and other western regions. Moreover, they laid their eggs wherever they lit, and the laying was good. Yet we are preparing to fight them by reducing the estimate for entomological pests instead of giving a special vote as they did in the United States. That would have been a great battle in the time of the war if we had prepared for it by reducing our ammunition, our large ordnance, our staffs of men and our money vote, but that is the way we are preparing to fight the grasshoppers. No wonder they are thriving! They are real grasshoppers, hopping all over our prairies and developing into locusts, we are told, while our friends are sitting in this chamber reducing the estimates and claiming they are doing their full duty. If our provinces were in good shape I would not make any complaint about this, but they are in a very bad state; they cannot for lack of money do as well as they know how to do. Where is the peace, order and good government relief vote that it cannot be drawn upon? Can we not keep order among the grasshoppers as well as elsewhere? Why can we not draw on that provision in this emergency?

It has just flashed upon me that this is the way in which my hon. friends are going to reduce the wheat acreage and production—let the grasshoppers have their fling. It will be an act of God, I suppose, instead of an act of the Bennett government, that is the situation. The grasshoppers are on the prairies in such a superabundance that unless some absolute miracle happens we shall not begin to fill our quota; we shall be able easily to give possibly 50,000,000 to the Argentine unless something is done to help the provinces fight the grasshoppers when they hatch, and they are hatching now. If my hon. friends think I have not produced a case against this government, then we shall have to take a gimlet, perform a surgical operation on their craniums and pour the information into them some other way. The tell tale estimate is there; no one can challenge the figures I have given. If conditions were normal the United States government would also not be helping their states, but conditions are not normal there and they are not normal in Canada. That shows the difference between the government at Washington and ours. I have a right to protest. I am glad the Prime Minister has given me the opportunity to explain the matter while he is present, because I would not care to talk to the Minister of Agriculture in the way I have done to my right hon. friend. He is the head of the government, very much so, and I hold him more responsible than the Minister of Agriculture for the disgraceful way in which the agriculture estimates have been reduced in the last four years. I hear an hon. member opposite groaning. Well, he ought to groan. What occupation other than agriculture have we to rely upon to bring back to normal the economic welfare of this country? What estimates have been reduced more ruthlessly than those of agriculture? I do not know. Talk about economy! This is a penny wise and pound foolish policy, reducing the estimates of the one branch of our country's activites on which we rely the most, that represents one-half of the people of Canada and feeds them all in addition to what we export. Yet my hon. friends are chewing and screwing those estimates down and then pretending that they are not doing so. That is what makes me angry. They get up in broad daylight, or rather in gaslight—and it is gas

that they gave us—telling us they were doing their full duty when the facts and figures deny that right to the hilt. The Prime Minister tried to discredit my statement because I gave the facts in regard to the United States up to the date stated, asking where I got the information and indicating that I did not know whether the legislation went through. I know it went through last year and there is not one chance in ten thousand that it did not go through this year. Now, if the Prime Minister wants to retire and hand things over to the Minister of Agriculture, he is at liberty to do so or to give them to anyone else he likes.

Mr. CANTLEY: The hon. member for Melville (Mr. Motherwell) is not the only one who has had to fight grasshoppers; we had them in Nova Scotia forty years ago. My hon. friend opposite, the member for Antigonish-Guysborough (Mr. Duff) will I know recall that. They were there so numerous they stopped the railway trains day after day, and that was not confined to one year. We did not then go yelling to the federal government for help; we looked after and met the situation ourselves. My hon. friend opposite has apparently reached the age and stage where the grasshopper is a burden. Why not go out and fight them as we did? He whines and demands assistance for everything that happens and blames the government for its happening. Let him get to work on the grasshopper problem and stop his growling.

Mr. MOTHERWELL: That must be one of the Rocky mountain locusts we have just heard from.

Mr. BENNETT: In this evening's paper the following appears on the front page:

Are Critical Days For Western Crops

The next two weeks will be the most critical ones affecting crop prospects in western Canada. The dry weather with high winds has caused considerable top soil drifting.

Wheat seeding is practically completed and that of coarse grains well advanced. Grasshoppers are beginning to hatch in some districts, but elimination measures are well in hand. The northern empire of the Peace River reports conditions and prospects are excellent according to the weekly crop report of the Department of Agriculture, Canadian National Railways.

Mr. VALLANCE: From what is the prime minister reading?

Mr. BENNETT: From the front page of this evening's paper. "But elimination measures are well in hand." I have received no complaints in regard to elimination measures. While I am always ready and willing to assume responsibility for any acts of the government or of myself in an official capacity, I think most intelligent people who have listened to the discussion for the last five minutes will wonder just what this country is coming to. I ask this chamber: What do thoughtful people in the gallery listening to this think? I console myself with the proverb "Answer not a fool according to his folly." Age has its claims to respect and in this instance to silence. If the United States spent $2,000,000 federally to destroy grasshoppers, this vote of $350,000 multiplied by twelve would make $4,200,000, and if you divide $2,000,000 by twelve, the United States having twelve times the population of Canada, we would be spending less than $200,000, but we are actually spending $350,000.

Mr. DONNELLY: It is not all over the United States; it is only in certain states.

Mr. BENNETT: It is not all over Canada either, and it is over a wide area in the United States. If the United States spent on the same basis as the Canadian figures suggest, they would be spending more than $4,000,000 federally. This $350,000 is for the whole of Canada. The mistake is to assume that it is limited to a particular area. Might it not be the fair thing in dealing with a matter of this kind to ask whether any demand or request made by those affected had been refused, whether any suggestion as to assistance had been declined, whether there had been an entire disregard of an obligation that legally belongs to others but that morally, by reason of financial conditions, is accepted by the federal government? I wonder sometimes whether after the last five minutes it is realized and recognized the amount of money the dominion government has put into Saskatchewan in the last three years; I wonder if it is realized the extent to which we have been subject to adverse criticism both public and private; I wonder if it is realized the way in which we have met the situation, because we have had faith in the future of that great agricultural province whose population is some 900,000. We have cared directly at one time for as many as 300,000 men, women and children, providing them with food and clothing through the long winter days and weeks and months, and the reward given for the efforts made, not by the government but by the Canadian people, is to be traduced, abused and slandered because they have thus done. It is their money, largely from eastern Canada, supplied through the purchase of bonds, that has enabled this to be done. Is it any wonder that at times we find it increasingly difficult when in endeavouring to deal with a situ-

ation of this kind we are confronted with statements such as those to which we have listened to-night? Let us at least be fair. Here is a calamity that has come to a part of Canada which Sir William Butler spoke of as the great lone desert, the part of Saskatchewan south of the Saskatchewan river. We have had drought; we had the binder of the soil destroyed by cultivation; that great alluvial deposit was dried and ground to an almost impalpable powder that the winds picked up and threw high in the air so that the trains passing through were covered with dust. Yet the courage of the people has been sustained and maintained. Ten millions, fifteen millions, reaching into the twenties, loaned, assuming direct obligations, caring for the people—all these things have been done, and there has been no complaint of which I have knowledge that the assistance rendered by this dominion to Saskatchewan in respect of grasshoppers has been inadequate. In the face of that I put it to my fellow Canadians whether they think that exhibition and that attack is calculated to encourage those upon whose good will and good feeling towards western Canada we must rely in our time of peril. I leave that to the committee.

I say with respect to the vote for entomology that it meets every demand. I am not confusing the two votes; I used the other by way of illustration. I am perfectly well aware that the variation in the amounts of votes depends on the extent to which work is undertaken. The work which was undertaken and paid for through the relief measures in Saskatchewan during the fall results not in complaint but, in reports in the newspapers that elimination measures are well in hand. Against that we have these denunciations of individuals, of myself, of the Minister of Agriculture, alleging failure of duty, failure to understand and appreciate the situation. That is helpful! That is constructive! That is calculated to encourage those who have risked their money for the purpose of trying to assist us—and by "us" I mean those of us who live in western Canada, that being my home as well. If at times one gets discouraged after listening to the tirade I have listened to to-night, in view of the knowledge of what we have done and are still endeavouring to do with respect to that drought stricken area, who can blame us? I leave that in the hands of the committee.

Mr. MOTHERWELL: When the Prime Minister gets into his last ditch he always starts up the sob sister stuff. That is what he is doing now.

[Mr. Bennett.]

Some hon. MEMBERS: Carried.

Mr. MOTHERWELL: Not until I am through. My right hon. friend is trying to make out that Canada was doing more than the United States. How much of this goes to buy poison? That is what the west was short of last year and is likely to be again.

Mr. BENNETT: Not one dollar of it.

Mr. MOTHERWELL: Everything is done except the one thing necessary. They can feed them with propaganda, but they will fatten on that alone, if you don't get the dope into them. The right hon. gentleman's remarks were aimed in my direction. Slander. There is no slander. Every word I have uttered is doubly true, and proven by the records and official estimates—

Some hon. MEMBERS: Question.

Mr. MOTHERWELL: —and by the statements of the hon. members for South Battleford (Mr. Vallance) and Willow Bunch (Mr. Donnelly). The vote is now not half, less than half of what it was in 1931, and they try to make out that they are doing more. The Prime Minister has tried to figure it out so that it will look better by taking the forty-eight states of the American union and trying to make it appear that we in Canada have been giving more than they are giving over there. But the forty-eight states have not all got grasshoppers, any more than the nine-provinces of Canada have. It is just a lot of bunk that cannot be supported by anything but a whine. Think of the horses being allowed to die in the country, crops being put in with mules and cows and steers and oxen and anything that can go into a yoke or collar, and yet the elevators full of grain within a gunshot of these dead animals! Hundreds and thousands of them dying, and the elevators filled to the top with wheat that cannot be sold and that they don't know what to do with. But the animals know what they would do with it if they could get a gallon a day to keep them going through the winter, even if it is wheat. Letting them die! Supplying seed grain to put in another crop and then sitting back knowing that there is not one chance in ten thousand that the grasshoppers will not eat it all up again, and not supplying one dollar's worth of poison to help. Then my right hon. friend starts that whining that he can pretty nearly put across, as he has done two or three times this session, but he cannot to-night because the record is against him. He ought to be totally ashamed of himself. I say again what I said before, that neither

the national government in Washington nor that in Ottawa would have needed to help either the states there or the provinces here if the conditions were normal, if the provincial revenues were half as buoyant as they used to be. What is needed is to provide lots of poison and lots of help to distribute it. If the right hon. gentleman cannot see it, that is only evidence that this government is about the greatest aggregation of—what shall I call them?—something that can produce a marketing bill some of which no one can understand, not even themselves.

Mr. VALLANCE: I have heard the Prime Minister on more than one occasion eulogize the people of western Canada, and I was rather disappointed to hear him to-night reminding this house of what eastern Canada has done for the west. I would like to tell him something from a different point of view. I see him smiling, but he smiles from the chair of a law office in the city of Calgary, most of the time. I want to take him back to the great open spaces where people are living 150 miles from a railroad. I want to tell him of the contribution that these people made to the making not only of western Canada but of eastern Canada. I am pleased to be able to say that in the twenty-eight years I have been there I have made my contribution, and I resent the Prime Minister's telling me and the people I represent what eastern Canada has done for them. I would like him to visualize the God-given wilderness we went into twenty-eight or thirty years ago, 100 or 150 miles from railroads, and without facilities, many of us with only an ox cart. We have built highways; we have built railroads, churches, schools, towns, villages and hamlets. We have created billions of dollars' worth of wealth, and where has it gone? Those people he talks of are sitting in those lone homesteads to-night with very little equity, if any, in what they have created, and the Prime Minister tells us what eastern Canada has done for the west. He should go out and tell them that. Where has this wealth gone? Can he tell me where it has gone? I should like him to tell the people in the west where it has gone. After all their work and privation we have to sit here to-night and they have to sit in their homes and listen to what eastern Canada has done for them. Put western Canada in the position, as I have heard him say before, where they have purchasing power, and in eastern Canada our industries will hum. Make it possible for the 300,000 farmers west of the great lakes to have $2,000 or $3,000 purchasing power, and what will happen? I am not blaming this government, but I am blaming the Prime Minister for the statement he has been trying to get across as to what eastern Canada has done for the west.

I would like to tell him about my own province. What do the other eight provinces get from the province of Saskatchewan? We have to take our coal from Alberta.

Mr. BENNETT: No.

Mr. VALLANCE: Most of it.

Mr. BENNETT: One million tons were taken from Saskatchewan this year.

Mr. VALLANCE: Yes, from the Estevan field going into Manitoba. We take practically all our lumber and fruit from British Columbia. We take nine out of every ten carloads of groceries from Manitoba. We take implements of production from Ontario, and some from Quebec and the maritime provinces. Yet out of the whole production of the province of Saskatchewan Canada does not take twenty per cent, and for the remaining eighty per cent we must find a world market. Then the Prime Minister wants to tell us what eastern Canada has done for us. No, Mr. Chairman, I resent it. I have listened to him in this house pay one of the greatest tributes I ever heard anyone pay to the pioneers of western Canada, but when I listened to him remind them to-night of what eastern Canada has done you cannot wonder that I rise in indignation.

Mr. SPROULE: I do not speak very often in this house, but I think it is time some hon. members opposite should stop and realize that in Canada there are some provinces besides the western provinces. There are people in Ontario who need money just as much as the western people need it, so far as that is concerned. Only a couple of years ago we gave them a five cent help on their wheat, but never got any thanks for it. They talk about grasshoppers, and to listen to the hon. member for Melville (Mr. Motherwell) one would think that there were grasshoppers only out in the west. My friend in the east told the committee that his constituency had been bothered with grasshoppers, and we have some in Ontario. But when the grasshoppers strike Ontario we look after them, and we do not complain. I believe the origin of a good deal of the trouble out in the west can be traced to the west. So far as this discussion is concerned, I do not think there should be any line drawn between the east and the west. I have a good deal of respect for western members, and particularly those sitting on this side of the house. I

do say, however, that there are a great many chronic complainers sitting opposite who are not thankful to the Ontario members who sit here and do not say a word.

The Prime Minister has just finished telling about the grants which have been made. I feel sorry for the people who have to accept what might be called the dole, but I think a little more consideration should be given to the east. It seems to me that the people in Ontario and the other eastern provinces are getting very little thanks for what they are trying to do for the people in the west. I have all kinds of faith in the west, and I do say that the remarks by the hon. member for Melville were unbecoming to him; they were very much out of place. I do not intend to take up any more time, but if I got hotter I could say more about it.

Mr. NEILL: We are a long way from bugs, Mr. Chairman. I suggest you use your authority to stop this discussion, which will not help us any, and is merely setting the east against the west. We are getting nowhere. I appeal to my hon. friends to allow the discussion to drop. Such recriminations will not promote good will between the east and the west.

Mr. CANTLEY: I have listened with a good deal of indignation to what the hon. member for South Battleford (Mr. Vallance) has had to say. He asked what the east had done for western Canada.

Mr. VALLANCE: I did not ask that; the Prime Minister told us.

Mr. CANTLEY: Well, I rather think you did, and I will tell you. In the first place, we bought it and paid for it. In the next place we built three railways to it.

Mr. VALLANCE: Who are "we"?

Mr. CANTLEY: The four original provinces.

Mr. BENNETT: The Canadian people.

Mr. CANTLEY: One railway would have been enough. Who paid for the west? I will tell you where the money came from to pay the Hudson's Bay Company. It was taken from a grant that we had to our credit in London to construct the Intercolonial railway.

Mr. VALLANCE: Who gave them that?

Mr. CANTLEY: It was contributed by the British government, and we switched it from the Intercolonial railway to buy out the Hudson's Bay Company. We gave it to you as a free gift. Now you want to talk about a return of the natural resources of your western country. There is no end to what you fellows think you ought to get. You exhibit very little gratitude—

Mr. NEILL: Mr. Chairman, I rise to a point of order. The hon. gentleman will not listen to an appeal of common sense, so I ask you to enforce the rules of the house, and particularly the rule which states that we must adhere to the item under discussion. I ask for your ruling, Mr. Chairman.

Mr. BENNETT: We will leave the item as it stands. I desire to say only this, that the observations made by the hon. member for South Battleford (Mr. Vallance) are not warranted by anything I said earlier. I have stood for the west in good season and bad, and I shall continue to do so. But it does seem passing strange that after all this discussion the hon. member for Melville (Mr. Motherwell), whose hearing may not be acute, does not understand that this item has nothing to do with supplying poison, or anything else, for grasshoppers, and that that is provided for by loans which we have made to the provinces. No complaint is outstanding to-day by any western province with respect to any provision they have been able to secure from this government for that purpose.

We will pass on to another item, in order that the position of the western provinces may be fully defined before this committee, and so that there may be no misunderstanding as to the facts.

Mr. DONNELLY: I should like to refer to one other pest we have in western Canada.

The CHAIRMAN (Mr. Stirling): The item stands.

Mr. DONNELLY: All right.

Item stands.

Mr. BENNETT: I believe the other items stand, and the Canadian National Railways items go to the select committee.

DEPARTMENT OF NATIONAL REVENUE

Salaries and contingent expenses of the several ports of the Dominion, including pay for overtime of officers, notwithstanding anything in the Civil Service Act and temporary buildings and rentals, $6,113,000.

Salaries and travelling expenses of officers of the inspection, investigation, audit, and the preventive service undervaluation services, $916,698.

Miscellaneous, including printing and stationery; subscriptions to commercial papers; flags; dating stamps; locks; instruments; express charges on samples; legal forms; legal

expenses; premiums on guarantee bonds; uniforms for customs-excise officers; laboratory equipment and supplies, etc., $500,000.

Amount to be paid to the Department of Justice to be disbursed by and accounted for to it for customs-excise secret investigation service, $15,000.

To provide for the administration of the Income War Tax Act 1917 and amendments thereof, and authority for this purpose to create positions and make appointments notwithstanding anything contained in the Civil Service Act and the said positions and staff so appointed are hereby wholly excluded from the operation of the said act, and salary of $8,000. (Less statutory deduction of ten per cent) for the commissioner of income tax, $2,000,000.

Amount to be paid to the Department of Justice, to be disbursed by and accounted for to it for the income tax secret investigation service, $15,000.

Mr. STEWART (Edmonton): Mr. Chairman, I suggest that in this department one item should be allowed to stand, because the minister will remember that the hon. member for Shelburne-Yarmouth (Mr. Ralston) and other hon. members are interested in some matters in connection with it which were left unsettled.

Mr. MATTHEWS: The hon. member for Shelburne-Yarmouth asked for certain information which I can give the committee now, if that will be satisfactory.

Mr. STEWART (Edmonton): He is not here and I know he is interested in this matter. I have no desire to hold up the minister's estimate. Perhaps if the item is carried on the understanding that he can bring up on any other item the matter in which he is interested—

Mr. BENNETT: We had better leave one item. These are all grouped in one vote.

Mr. STEWART (Edmonton): I want to protest against this method of preparing the estimates. The practice is not confined to any one department but is being followed by all the departments, I presume with a desire to curtail discussion. Certainly it does not give the committee the opportunity which I think it should be given of criticizing the estimates. While you have subheadings the votes themselves do not contain very much information. This particular one is not so flagrant as some others.

Mr. BENNETT: What further details could be given than are given here?

Mr. STEWART (Edmonton): A great many. These items are all lumped in one vote, No. 252, with very few details of an appropriation amounting to over nine million dollars. I protest once more against this method of preparing the estimates.

Mr. BENNETT: Was it not the practice followed in your time?

Mr. STEWART (Edmonton): Certainly not, as my right hon. friend will see if he will look up our estimates or even the estimates of his own government of former years. It is a practice that is growing yearly in the preparation of the estimates under this government. I protested against it before and I do so again.

Mr. BENNETT: I should like to say, to relieve the former minister of any difficulty on that score, that the officials are largely responsible for the grouping of these items.

Mr. STEWART (Edmonton): But the government are responsible.

Mr. BENNETT: The government bring them in, I will admit. But vote 252, for instance, generally covers all the items that are specified here, and discussion, as I understand it, ordinarily takes place with respect to each of the six or seven items that comprise the whole vote.

Sir EUGENE FISET: May I suggest to the prime minister that the best way would be to call these items separately?

Mr. BENNETT: That is what I suggest.

Mr. MATTHEWS: I think I should say that this vote is in precisely the same form as it has been for years. There is no change in the method of presenting it. For the information of the hon. member for West Edmonton (Mr. Stewart) I may say that there will be an item in the supplementaries upon which the hon. member for Shelburne-Yarmouth may discuss the matter in which he is interested if the committee will allow this vote to pass.

Mr. COOTE: Would the minister explain how he manages to get a decrease of half a million dollars in the first item of vote 252? Half a million dollars is a very large amount to be cutting an important collection department.

Mr. MATTHEWS: This is due to reduction in staff and economies effected in overtime and general contingent expenditures.

Mr. REID: When the minister's estimates were up in March I brought certain matters to his attention in connection with a boat named the Klekane, and he told me that he

would look into the matter. I wrote the minister on March 13 setting out all the particulars, and so far I have not had the courtesy of a reply. The matter is a serious one. It is a very important case, and there are many similar cases. I think I ought to have received a reply from the minister as to whether a boat registered in the United States can go back and forth between the United States and Canada, operating in United States waters one month and in Canadian waters the next. I have all the particulars here and I can give them now if the minister wishes.

Mr. MATTHEWS: The last time the estimate was under consideration the hon. member for New Westminster made some reference to payment for overtime. I have that information here. In regard to the boat he mentions I have not the information here, but I shall be glad to get it and send it to him.

Mr. REID: It is very strange, Mr. Chairman. I sent a letter to the minister about the matter on March 13 last, and I have received no answer as yet. The letter gave full particulars of the case. I have a copy of the letter here which I will read. I was wondering why I did not get any reply. I thought it was because the minister was investigating the matter. The letter is dated Ottawa, March 13, 1934, and reads:

Dear Mr. Matthews:—

You will no doubt remember my asking you on the floor of the house regarding the matter of whether a vessel entering Canada from another country has to pay customs dues on the valuation of the ship and engine in the event of the vessel being registered in the United States and coming to Canada to be used for profit here.

The matter I have in mind is in connection with a fishing boat named Klekane whose owners operated part time in Canada and part time in the United States, moving back and forth according to the fishing.

It is owned by two brothers; one lives in the States and the other lives in Vancouver.

It is registered in the State of Washington as a United States vessel and operates in Canadian waters as a Canadian one, and I was informed that on account of the fact that it paid customs duties away back in 1919, I believe, it has a right thereafter to go and come as a Canadian vessel. Surely this is not correct. The vessel cannot be registered in both countries at the same time. In my opinion, at least, if a vessel is registered in Canada it remains so until it registers in another country and having done so loses Canadian registry and takes on the registry of the other country.

A great many protests have been sent to me regarding this matter and I understand that this is not the only vessel that is allowed to go and come in this manner.

[Mr. Reid.]

I would be pleased if you would have this looked into and a ruling given, and may say in closing that I am of the strong opinion that no vessel can be registered in two countries at one and the same time.

Mr. MATTHEWS: I have no recollection of receiving that letter. It may have come to the department, of course, but I do not recollect having seen it. I shall certainly see that my hon. friend gets a reply.

Mr. COOTE: May I ask the minister how many employees have been laid off under the first item of this vote?

Mr. MATTHEWS: The number of employees in 1933-34 was 3,863, and in 1934-35, 3,606, a reduction of 257.

Mr. COOTE: How many ports have been closed? I see there is a reduction of $524,000.

Mr. MATTHEWS: There have been fifty-one ports closed since 1930.

Mr. COOTE: How many have been closed in the last year?

Mr. MATTHEWS: The number closed in the last year is eleven.

Mr. COOTE: It is a little hard to understand how the department can lay off enough men to get a reduction of $524,000 in one year when only eleven ports have been closed in that period. Has it been the policy to cut down the number of employees in different ports of entry in Canada?

Mr. MATTHEWS: I am informed that the vote this year is down to the minimum. In other years there was perhaps a certain amount of leeway and in some measure that accounts for the reduction.

Mr. COOTE: How much of this first item of six million dollars odd is for salaries?

Mr. VENIOT: Has the minister the statement of how much he has saved by cutting down overtime?

Mr. MATTHEWS: For 1934-35 the salaries are $5,412,083.

Mr. COOTE: I asked for the number of employees paid from that vote.

Mr. MATTHEWS: The number of employees is 3,606.

Mr. REID: A few moments ago the minister said he had a statement to make in reply to the question concerning overtime which I brought up; is he prepared to give that now?

Mr. MATTHEWS: The hon. member for New Westminster (Mr. Reid) asked concerning overtime, referring particularly to the payment of overtime to full time officers while temporary men were allowed to go. There is no doubt the temporary men were what are known as seasonal officers who are taken on at a number of frontier points during the season of heavy highway traffic. Both regular and seasonal men have to be on duty Sundays and holidays, and when they cannot be compensated by being given time off they are paid the regular overtime rate of seventy-five cents per hour less the ten per cent deduction. It would not be possible to eliminate entirely the payment of overtime as there are a number of places where the additional services required do not warrant additions to the staff; therefore it is more economical to pay overtime. There has been a considerable reduction in the expenditure under this head during the past year or so, and I can assure hon. gentlemen that every effort is being made to reduce expenditures still further.

Mr. REID: I asked this question because of complaints which were made to me last year and I think the year before that seasonal men had been cut down while more overtime had been paid to those regularly employed. It did seem rather hard that those who were engaged the whole year should be taken out to these boundary points and thus deprive the seasonal men of work. I should like the minister to look into this with the idea of permitting these seasonal men to earn a little more money.

Item agreed to.

Progress reported.

FOREIGN INSURANCE COMPANIES

The house resumed from Tuesday, May 15, consideration in committee of Bill No. 50, to amend the Foreign Insurance Companies Act—Mr. Rhodes—Mr. Gobeil in the chair.

On section 3—Statement of condition and affairs.

Mr. MACKENZIE (Vancouver): Does the same constitutional question arise here as arose in connection with Lloyd's and the other companies?

Mr. BENNETT: Not in the same way, as the hon. gentleman will see as we proceed.

Section agreed to.

On section 4.

Mr. BENNETT: This amendment is for the purpose of clarifying the section. The new section will read:

> Expressly authorize such attorney to receive from the minister and the superintendent all notices which under the laws of the Dominion of Canada are required to be given or which it is thought advisable to give.

This is to make it perfectly clear that there is no impingement upon the rights of the provinces with respect to matters of this kind.

Mr. MACKENZIE (Vancouver): Is this a government or a departmental bill?

Mr. BENNETT: There are some portions in which the government must assume responsibility through the superintendent of insurance.

Mr. MACKENZIE (Vancouver): Is the superintendent of insurance in favour of the bill?

Mr. BENNETT: My understanding is that the superintendent of insurance may differ from the law officers of the crown, shall I put it that way, with respect to the respective jurisdiction of provincial legislatures and the federal parliament. With respect to some features of the bill I do not think perhaps that is a proper question to ask me. I think there is a difference of opinion.

Mr. SPENCER: Will these amendments make insurance any dearer?

Mr. BENNETT: So far as I know, no.

Section agreed to.

Sections 5, 6 and 7 agreed to.

On section 8—Assets to be maintained in Canada by other companies.

Mr. BENNETT: This is simply a change in numbering; the previous section was improperly numbered.

Section agreed to.

Sections 9 to 11 inclusive agreed to.

On section 12—Inquiries to company and replies.

Mr. POWER: Why the words "or officer"?

Mr. BENNETT: As the hon. gentleman knows, sometimes there have been grave differences of opinion as to whether or not the word used in connection with the company, agent or officer, amply describes the situation. We wish to provide as far as we may that it is an officer of the company who makes

the declaration. I am not always able to understand just why such a clear distinction is made, but this is to meet the difficulty that has been experienced.

Section agreed to.

Sections 13 to 18 inclusive agreed to.

On section 19—Classes of hazards covered by fire certificate.

Mr. MACKENZIE (Vancouver): Is there any change in this?

Mr. BENNETT: Instead of amending the section it is repealed and a new section with very slight changes is substituted. It is no longer subject to the provisions of the subsection of the act; it is complete in itself.

Section agreed to.

Sections 20 and 21 agreed to.

On section 22—Withdrawal of certificate for deficiency of assets—fraternal benefit societies.

Mr. MACKENZIE (Vancouver): What is the change here?

Mr. BENNETT: This provision has in terms been present always in these statutes, but in the renumbering last year some mistake was made with respect to these sections.

Section agreed to.

Section 23 agreed to.

On section 24.

Mr. MACKENZIE (Vancouver): What is the change ?

Mr. BENNETT: This is an entirely new section. There is a slight difference between the two but they are substantially the same.

Section agreed to.

Sections 25 to 29 inclusive agreed to.

On section 30—Penalty for non-compliance with act, etc., not otherwise provided for.

Mr. BRADETTE: I notice that the penalty is the same, but the wide difference between the minimum and the maximum is so great that I think we should have an explanation. The range is from $20 to $5,000.

Mr. BENNETT: The hon. gentleman will realize that there are some offences which, if committed by a company, should subject it to very drastic penalties, whereas a slight offence by an individual should subject him to a slight penalty only; and in order that each specific offence should not be described and the penalty provided, the statute endeavours to provide a minimum which in the discretion of the court may be applicable to a slight violation of the provisions of the statute. In the case of an offence by a company on a large scale there is provision for a penalty as great as $5,000.

Mr. BRADETTE: Is this covered by any provincial law? It would strike the ordinary layman that there is quite a wide margin. I realize, as the Prime Minister says, that there is a great difference between offences, but this seems to leave considerable leeway and it might be open to criticism.

Mr. BENNETT: The nature of the offence would in all probability govern the exercise of discretion by the magistrate or court before whom the charge was tried. There must in the very nature of things be a very heavy penalty against some of the offences mentioned in the statute. There is no change except in the form in which it is put.

Section agreed to.

Sections 31 to 33 inclusive agreed to.

On section 34.

Mr. MACKENZIE (Vancouver): What is the meaning of the words "which were vested in trust"?

Mr. BENNETT: The language used is for the purpose of more adequately conveying the meaning which parliament had in respect of it. This applies to foreign companies that are vested in trust instead of being owned in the country. This is to overcome the difficulty that arises in this country by reason of foreign companies not being literally owned but vested in trust.

Section agreed to.

Section 35 agreed to.

Bill reported.

The ACTING SPEAKER (Mr. Smith, Cumberland): When shall the bill be read the third time?

Mr. BENNETT: Some members who are not present might desire to make some observations, and if the bill stands for third reading they can ask to have it referred back, so I will let the third reading stand till the next sitting. I was going to go on with the second reading of the other insurance bill but it contains some matters that may give rise to considerable discussion, so I shall not proceed with it to-night.

BUSINESS OF THE HOUSE

VICTORIA DAY ADJOURNMENT

Right Hon. R. B. BENNETT (Prime Minister): I promised the leader of the opposition that I would indicate to-night what the view was as to whether we should sit on the twenty-fourth, and the view apparently is that it would suit better if we did not sit on that day. On Monday I shall put a motion on the order paper accordingly.

On motion of Mr. Bennett the house adjourned at 10.45 p.m.

Monday, May 21, 1934

The house met at three o'clock.

TARIFF BOARD FINDINGS

Hon. EDGAR N. RHODES (Minister of Finance): Mr. Speaker, I desire to present findings of the tariff board with respect to references Nos. 6, 21, and 34.

VICTORIA DAY ADJOURNMENT

Right Hon. R. B. BENNETT (Prime Minister) moved:

That when this house adjourns on Wednesday next it stand adjourned until Friday the 25th instant.

That is as I intimated when the house rose on Friday last.

Motion agreed to.

BANKING AND COMMERCE

CHANGE IN MEMBERSHIP OF COMMITTEE

Right Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, owing to the continued illness of Mr. Pettit, who is still confined to the hospital, I beg to move:

That the name of Mr. Frank White (London) be substituted for the name of Mr. Pettit on the select standing committee on banking and commerce.

Motion agreed to.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

*BEAUHARNOIS CORPORATION—GOVERNMENT GUARANTEES

Mr. EULER:

1. Has the guarantee of the federal government to the banks on behalf of the Beauharnois corporation been cancelled?
2. If not, for what sum does the guarantee still hold?

Mr. BENNETT: I may say with respect to this question that the government of Canada is discharged from any liability as a guarantor of bonds of the Beauharnois Corporation, and further that when the bonds were being sold I asked the banks to add to the sale price sufficient money to enable this country to be reimbursed for sums expended on the investigation. I have received and handed to the receiver general of Canada a cheque for $43,536.35, which covers the entire sum paid to counsel and for printing and all other sums carried in the ledgers of the Department of Finance in connection with the Beauharnois investigations in the Senate and House of Commons.

*PUBLIC ARCHIVES—PURCHASE OF PAINTINGS

Mr. CASGRAIN:

1. Has the government purchased for the Public Archives of Canada in Ottawa, paintings from one Ward C. Pitfield of Montreal?
2. If so, what are these paintings?
3. What amount was paid for these paintings?
4. Was the purchase price of the said paintings paid to Mr. Ward C. Pitfield himself or to somebody else for him?

Mr. CAHAN: This question was answered by documents laid on the table of the house on the 17th instant.

*PENTECOTE RIVER DREDGING

Mr. CASGRAIN:

1. Has the government reconsidered requests already made since the year 1930, with respect to dredging work to be undertaken at Pentecote River (Riverin River), on the north shore of the St. Lawrence river?
2. If so, will the government comply with such requests this year?

Mr. STEWART (Leeds): Mr. Speaker, as to this question and the others following on the order paper down to No. 42 inclusive, which are all of the same character, I would like to give the following oral answer:

The government receives from time to time reports in connection with the various works mentioned in these questions, and a decision as to the works to be undertaken will be disclosed by estimates when approved, and by further reports to be received from the engineering department.

Mr. SPEAKER: Questions Nos. 12 to 42 inclusive answered.

PAYMENTS TO J. C. MCRUER, K.C.

Mr. BEAUBIER:

What moneys have been paid during each of the years 1922 to 1930, inclusive, to J. C. McRuer, K.C., of Toronto, by the government of Canada for professional services?

Mr. CAHAN: A full return was made in answer to a similar inquiry and tabled in the house on February 19 last.

CIVIL SERVICE COMMISSION—CHAIRMAN

Mr. LAFLECHE:

1. Who is the chairman of the civil service commission?
2. What is his age?
3. What amount does he receive for salary and expenses?
4. Is he entitled to a pension?
5. On what date was he appointed chairman of the said commission?

Mr. CAHAN:

1. Hon. W. J. Roche, M.D.
2. Seventy-four years.
3. $7,000, less 10 per cent.
4. No.
5. October 15, 1917.

QUESTIONS PASSED AS ORDERS FOR RETURNS

ABENAKIS RESERVATION—RELIEF

Mr. DUGUAY:

1. What sums were expended on and for the Abenakis reservation at Adonak, county of Yamaska, in the years 1921, 1922, 1923, 1924, 1925, 1926, 1927, 1928, and 1929, in connection with medical care, hospital charges, relief, and other outlays?
2. What amounts were granted to the municipality of the village of Pierreville in 1930 and 1931 under the terms of the Direct Relief Act?
3. Who benefited by such relief measures, and what amount was expended in each case?
4. What merchants filled relief orders, and what did such relief orders aggregate in the case of each merchant?

Mr. CAHAN: Return tabled herewith.

PAYMENTS TO RAILWAYS FOR MAILS AND OTHER SERVICES

Mr. McPHEE:

What amount of money has been paid by the government of Canada for carrying of mails, express, freight, and other railway services for the fiscal year ending March 31, 1934, to: (a) the Canadian National Railways; (b) the Canadian Pacific Railway?

CANADIAN CREDITS AND LOANS ABROAD

Mr. HANSON (Skeena):

1. What were the total loans or credits made by Canada to other nations?
2. What are the names of said nations, the amount in each case of said loans or guarantees, and the dates upon which they were made?
3. What repayments, if any, were received from said nations, and the dates in each case?
4. What was the outstanding amount due from each nation on January 1, 1934?

[Mr. Beaubier.]

MOTIONS FOR PAPERS

BONAVENTURE COUNTY, PUBLIC WORKS

Mr. DUFF (for Mr. Marcil):

For a statement showing works authorized by the Department of Public Works out of the general fund for public works in Bonaventure county since January 1, 1934, to date.

ST-ADELAIDE DE PABOS, QUE., WHARF

Mr. BRASSET:

For a copy of all vouchers covering expenditures for stone, iron, wood and other building materials used in connection with the wharf of St-Adelaide de Pabos, county of Gaspe, from August 1, 1930, to date.

HAVRE AUX MAISONS, QUE.—PUBLIC WORKS

Mr. BRASSET:

For a copy of all vouchers covering expenditures made since August 1, 1930, to date, at Havre aux Maisons, Magdalen Islands, including work done in the channel at Havre aux Maisons, Elie Point and Basse Point, Dame du Sud and Grand Barachois.

UNEMPLOYMENT INSURANCE

On the orders of the day:

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): I notice by the papers that Premier Henry of Ontario has recently made a statement that the Prime Minister has intimated to him that it is the intention to introduce contributory unemployment insurance legislation. I wish to ask the Prime Minister if such an assurance has been given by him to Premier Henry, and if so, is it his intention to introduce such legislation this session?

Right Hon. R. B. BENNETT (Prime Minister): I cannot be responsible for what is said in the newspapers in any sense. I doubt very much whether the report accurately states what was said by Premier Henry. In common with other premiers he has discussed with me the question of unemployment insurance and it will be within the memory of the house that I made a statement as to what the result of the discussion was. Since that time the government has been engaged in endeavoring to ascertain to what extent, in view of the differences of opinion with respect to jurisdiction that existed, we could submit legislation to this house. Whether or not it will be done at this session, I am not in position to state with any degree of absolute certainty. It may or may not and with respect to that I cannot say at the moment.

Mr. MACKENZIE KING: I do not know whether the Prime Minister (Mr. Bennett) in using the word "that" was referring to my

remarks as an interpretation of Premier Henry's statement or to the fact that Premier Henry had made a different statement. I should like to quote the dispatch itself, as follows:

"Mr. Bennett repeatedly has told me that contributory unemployment insurance is definitely coming," Mr. Henry declared. "He said he opposed non-contributory insurance, but he always suggested contributory unemployment insurance was inevitable."

The first part of the dispatch reads:

Canadian Press dispatch, Toronto, May 18.—Unemployment insurance on a contributory basis will be introduced by Premier R. B. Bennett in the near future, Premier George S. Henry of Ontario to-day told a delegation of women representing the Toronto and District Women's Unemployment Conference who asked the government for a provincial law as well as increased food and clothing relief allowances.

That is the exact wording of the dispatch to which I referred.

Mr. BENNETT: I think my answer covered the question asked by the right hon. gentleman. What I desired to make clear was that not only had it been discussed with Premier Henry but it had been discussed with the representatives of the provinces. There was a very full discussion and there is no doubt that I said to Mr. Henry what I said in this house and to the others, that I believed it was inevitable that some form of unemployment insurance would be enacted and that it should be on a contributory basis. There was some uncertainty as to the extent to which we might proceed to overcome the difficulties with respect to the provisions of the British North America Act and, as I say, I am not in position to-day to state definitely whether or not I shall endeavour to resolve those difficulties in a way which I think might be reasonable at this session.

CONSTRUCTION CAMPS

REPORTED REGULATION PROHIBITING THE HOLDING OF POLITICAL MEETINGS

On the orders of the day.

Right Hon. W. L. MACKENZIE KING (leader of the opposition): Could the Minister of National Defence (Mr. Sutherland) advise the house what regulations have been issued by his department with respect to the holding of political meetings in construction camps. No doubt the minister has seen the report that General McNaughton has issued instructions that no political meetings are to be held in any construction camp. Before a debate on the merits of this matter takes place, could the minister kindly advise the house as to what instructions have been issued.

Hon. D. M. SUTHERLAND (Minister of National Defence): I was away over the week end but I saw the report this morning. If the right hon. gentleman will allow his question to stand as a notice I shall be very glad to give an answer to-morrow.

Mr. MACKENZIE KING: I was going to suggest that if there is any truth in the report, perhaps the Prime Minister (Mr. Bennett) would agree to adjourn the house in order that there may be a debate on the merits of the question. I think this is an urgent question in view of the present elections in Saskatchewan and Ontario and with the possibility of federal elections coming on before very many months.

Right Hon. R. B. BENNETT (Prime Minister): It is quite obvious that the views of hon. members cannot be expressed when this question is answered because it is not debatable but I think I can provide a method without adjourning the house by which opportunity will be afforded within a few days to have a complete discussion. This can be done on one of the supply items.

Mr. MACKENZIE KING: As long as it is an early opportunity.

SILVER COVERAGE

On the orders of the day.

Mr. THOMAS REID (New Westminster): In view of the fact that the United States is to use a coverage of twenty-five per cent silver for currency, which action will greatly increase the market price of silver, I should like to inquire of the Minister of Finance (Mr. Rhodes) if the government is contemplating taking similar action.

Hon. E. N. RHODES (Minister of Finance): I am indebted to the hon. member for New Westminster (Mr. Reid) for his courtesy in advising me that he proposed to submit this question. The opinion of the government, either with respect to this or any other matter, can be made known only as and when the proposal is brought before the house.

MARKETING ACT

ORGANIZATION TO IMPROVE METHODS AND PRACTICES IN MARKETING NATURAL PRODUCTS

The house resumed from Friday, May 18, consideration in committee of Bill No. 51, to improve the methods and practices of marketing of natural products in Canada and in ex-

port trade, and to make further provisions in connection therewith—Mr. Weir (Melfort)—Mr. Morand in the chair.

On subsection 4.

Mr. MOTHERWELL: On Friday I made the suggestion that the government should consolidate the original bill and the proposed amendments. There may be some rule to prevent this being done, but if it could be done it would be of tremendous convenience to those of us who are ordinary laymen and do not pretend to be lawyers. The minister has indicated that there are to be more amendments and if there is no rule to prevent this being done, I think it should be done. I am sure it would expedite the passing of the bill.

Mr. WEIR (Melfort): At the request of the committee the amendments proposed were printed and they have been before the committee for over a week. I do not agree that there is any difficulty in following the bill and the suggested amendments. The bill will be reprinted before it comes up for third reading.

Mr. MOTHERWELL: That will be all right but it will not help us much now. What is before the committee?

The CHAIRMAN (Mr. Morand): Apparently all of section 4 was not passed. Shall section 4 as amended carry?

Mr. MACKENZIE KING: Have the amendments been discussed? I do not think they have.

Mr. MOTHERWELL: If any of these disjointed amendments slip through without our knowing it I think we should reserve the right to revert to them. It is something like a game of whist where you have more cards than you know what to do with, it is not like euchre. I think the chairman should have consideration for the committee in this respect. We have to keep the bill and the amendments before us and keep jumping from one to the other to see where we are. I have a proposal to make in connection with section 5 but I am afraid I will not know when we get to it.

Mr. MACKENZIE KING: What are the amendments to subsection 4? My recollection is that we had renumbered the paragraphs and were discussing the addition of what would be, according to the new amendment, subsection 4.

Mr. DUPRE: A new section.

Mr. MACKENZIE KING: Yes. I do not think that had passed.

Mr. BENNETT: When the committee rose I was speaking.

Mr. MACKENZIE KING: It was not carried.

The CHAIRMAN: Shall the subsection carry now?

Mr. MACKENZIE KING: The Prime Minister was discussing at the time the question of jurisdiction as between the dominion and the provinces, and I had asked whether he thought that the powers granted by the British North America Act to the dominion could be in any way conferred by the dominion upon the provinces. I understood his reply to be that they could not but that the provinces might be made to act as agent for the dominion—

Mr. BENNETT: Might agree to act.

Mr. MACKENZIE KING: Yes—I beg my right hon. friend's pardon; might agree to act. May I reverse the question and ask the Prime Minister whether in his opinion a power conferred upon the provincial legislature under the British North America Act could, by the provincial legislatures, be delegated to the dominion in the first place or, secondly, would the provincial governments have power to ask the dominion to act as their agent with respect to the powers given them?

Mr. BENNETT: I have no doubt as to the right of the province to agree with the dominion that the dominion shall act as its agent or instrument to accomplish a purely provincial purpose. I am equally clear that the province would have no power to delegate part of its exclusive jurisdiction to the federal power. For instance, no one will question that the province might arrange by appropriate agreement that, we will say, a trust company should act to do certain work for it in connection with the exercise of its exclusive jurisdiction. If the dominion government were so minded it could agree to discharge these agency functions for the province at the request of the province, and there would be no doubt in my judgment as to the legality of such an arrangement. This bill contemplates that the cooperation between the federal power and the provincial power will be manifest wherever it is desirable, the federal power acting with the provincial power to accomplish a given end; and if it be necessary for the provincial power to act in cooperation with the dominion, the dominion may exercise to the full

its power. It does not propose to compel the province to do it, nor does it propose to compel the dominion, but it contemplates that as an instrumentality of government the province may agree to work with the dominion to accomplish a given end, and equally that the dominion may agree to cooperate with the province—the provincial authorities; I use the word province as covering all—for the same purpose. That is my understanding of the situation, and I think such power would be exercised in a perfectly legal manner.

Mr. MACKENZIE KING: I can understand that if the dominion had enacted a law with respect to some matter and under that law wished the province to act as its agent in some particular it might have the power which the Prime Minister suggests. Might I ask whether the Prime Minister would go so far as to say that the dominion, having been given power to legislate exclusively on a particular question, could confer any of that power by legislation on the province as its agent.

Mr. BENNETT: I think the courts have decided, and the Department of Justice would advise, that it is not competent for this parliament to derogate from the power conferred by the British North America Act on the provinces, nor can this parliament divest itself of its responsibility and confer constitutionally upon a provincial legislature powers which under the constitution are conferred solely upon the dominion parliament.

Mr. WOODSWORTH: It has been suggested that in subsection 5 it might be well to add the words "and disburse" in the third line, so that it would then read:

... the board may authorize such local board to act as its agent to collect and disburse the charges or tolls imposed.

Mr. WEIR (Melfort): We have not yet reached subsection 5.

Subsection 4 agreed to.

On subsection 5—Board may authorize local board to exercise powers.

Mr. DUPRE: I move to add the following as subsection 5:

Whenever a local board has been authorized to exercise any of the powers of the board, the board may authorize such local board to act as its agent to collect and disburse the charges or tolls imposed.

The difference between the amendment and what I have read is that we have added in the third line the words "and disburse."

Subsection agreed to.

On subsection 6—Board may require full information.

Mr. DUPRE: I move the following as subsection 6:

Whenever the board or a local board cooperates or acts conjointly with any marketing board or agency established under the law of any province, the board may similarly impose charges or tolls in respect of the marketing of the whole or any part of the product marketed by or under the direction of the provincial marketing board or agency and may authorize such marketing board or agency to act as the agent of the board in collecting and disbursing such charges or tolls.

Mr. WOODSWORTH: Is "provincial marketing board" anywhere defined?

Mr. WEIR (Melfort): It is not defined here because that depends on the interpretation which the provincial authorities may give it.

Mr. WOODSWORTH: It is the board authorized under the authority of the province concerned?

Mr. WEIR (Melfort): Yes.

Mr. HEAPS: How will these funds be collected?

Mr. WEIR (Melfort): The scheme will indicate the manner in which they will be collected. This is perhaps the most difficult part of the bill, and that is why these amendments have been put in.

Mr. HEAPS: Difficulties may arise in different parts of the country. In some parts too much may be raised by levy while in other parts there may not be sufficient. Will there be a supervising body anywhere in control to ensure that the amounts levied on a particular industry shall be fair and reasonable?

Mr. WEIR (Melfort): The dominion board is the supervising body with respect to all such levies.

Mr. HEAPS: Will they act in such a way as to ensure that no particular locality is hampered?

Mr. WEIR (Melfort): That is why this change has been made, so that it will be centred in the dominion board.

Mr. DUPRE: I move that we add the following as subsection 7:

(7) The board may utilize the fund created by the charges or tolls in connection with the exercise by it or by a local board of any of its powers or for the pooling of returns, the creation of reserves, and any necessary operat-

ing or capital expenditure, and in the case of charges or tolls imposed in respect of the marketing of any product under the direction of a provincial marketing board or agency, the board may direct that the charges or tolls be utilized by and for the purposes of such provincial board or agency.

Mr. NEILL: Is this the only reference in the bill or in the amendments to the powers proposed to be given regarding pooling of returns? If so it is very dangerous.

Mr. WEIR (Melfort): No, there is provision for that in a further amendment under the heading of "marketing schemes."

Mr. NEILL: Would the minister mind indicating where the pooling powers are given?

Mr. WEIR (Melfort): Clause 5, subclause 5 of the bill.

Mr. NEILL: Well, that says:

Every scheme as approved shall state—

Is that all?

Mr. WEIR (Melfort): It is covered by amendments under that when we come to them.

Mr. NEILL: If it is covered later on, we will deal with it when we come to it.

Mr. MOTHERWELL: I am glad that somebody as astute as is the hon. member for Comox-Alberni (Mr. Neill) is a little muddled on this as well as I am. I would be afraid there was something wrong with my training had nobody but myself failed to see the significance of this word "pooling." To make sure that I was right in considering it as still very vague, I submitted it to a gentleman who has some knowledge of drafting legislation as he has been engaged in that work for many years. I asked him what he thought it referred to and he said that he thought it referred to tolls; that if too much was collected in the way of tolls, they would take out of it what was wanted and turn the rest back on a pooling basis. To make the matter quite clear, why not insert "commodity" before the word "returns," and then we would know that the provision did not refer to toll returns? The minister is strong on clarification. Would he mind clarifying it by putting that in to meet the situation, because if pooling is not referred to anywhere else, it is still about as vague as it was except that the one word "pooling," is there giving us an idea as to what is meant. But it is not plain that the provision refers to commodity returns or toll returns or whatever they may be. Why be so sparing of the English language as not to insert another word there and say "the pooling of commodity returns"? I think that is what

[Mr. Dupré.]

the growers want. I did not think it referred to anything else until the gentleman to whom I referred said that it meant the pooling of tolls; that when too much was collected the portion not needed was returned to the growers on a pool basis. That is not my statement, but the fact that this gentleman put that construction on the provision shows that it is not clear what is meant. I would suggest that the word "commodity" be inserted before the word "returns." That is the least possible insertion that can be made; it is the addition of only one word and it might improve matters. Does the minister think that would hurt it?

Mr. WEIR (Melfort): So far as the meaning goes, there is no objection, but it would necessitate a new definition of "commodity," it not having been defined before, and I do not see any gain. These subclauses have been gone over very carefully with the intention of ensuring that pooling shall be taken care of.

Mr. MOTHERWELL: I know that.

Mr. NEILL: I must be very stupid but I cannot find in the bill anything about pooling except in the place I have just mentioned, under subclause 7 of clause 4. The minister says that we shall find a reference under clause 5, subclause 5, but that subclause deals with polling not with pooling.

Mr. WEIR (Melfort): The scheme itself will set out the manner in which they want their goods regulated and the method of pooling if pooling is asked for under the scheme. Subclause 7 will enable the collection of funds to make this possible, in addition to funds for other charges.

Mr. NEILL: If this does not out-Herod Herod! Hon. members know I voted for the second reading of this bill with the idea that a principle was involved in it, but I am beginning to think it is only a theory. I conscientiously voted for the second reading, hoping that my vote would be justified in committee, but the more we dive into the bill the more difficult it is to believe it will ever be made workable. The committee has heard what the minister said. I say that the only reference to authorizing pooling is found in these words and the minister confirms my statement by saying that it can be found in the scheme if they put one in and the government approves it. The subclause under discussion states:

The board may utilize the fund created by the charges or tolls—

This enables them to levy charges on goods sold.

—in connection with the exercise by it or by a local board of any of its powers or—"for the pooling of returns."

They can take this fund created by charges, tolls, presumably one or two per cent or a dollar per ton, ordinary charges for handling, and they may use it for the pooling of returns. If they were going to use it only for some of the administrative details of pooling such as the clerical help and all that, that would be quite in line, but where is there in the bill anything else that authorizes pooling? The British act says in language which can be understood by a child there can be pooling and makes provision accordingly, and in addition says how the money shall be divided. I shall not quote it because I will quote a more emphatic act. The New Zealand Dairy Produce Export Control Act of 1923 on page 174 has this to say in dealing with pooling:

Without limiting any authority already specifically conferred on the board with respect to any dairy produce, the board shall have full authority to make such arrangements and give such directions as it thinks proper for the following matters:

(a) for the handling, pooling, and storage of dairy produce.

How are they going to deal with the money? There is half a page devoted to that. It states:

All moneys received by the board by way of levy under section 15 hereof or in respect of the sale of dairy produce or otherwise howsoever shall be paid by the board into a separate account at a bank to be approved by the Minister of Finance.

It is carefully earmarked, you notice. And it shall be applied as follows; and then you find six different claims that are to be met with this fund; first, payment of the expenses, commissions, et cetera; second, salaries; third, travelling expenses; fourth, repayment of advances made by the board to owners. That is, it is contemplated that when the producers ship any produce they may get an advance payment. The fifth provision is for the creation of a reserve fund, and lastly, after those prior claims have been taken care of, payment of the balance to the owners:

In payment of the balance to the owners of dairy produce controlled by the board in proportions to be fixed by the board by reference to the quantity and grade of the dairy produce handled by the board in respect of the several producers or other owners of dairy produce.

Is not that a very clear and concise definition? First of all constituting the power of pooling, and second, what is to be done with the money. It is not to be put in the consolidated fund, it is to be put in a fund by itself of that particular board, a trust fund practically, and then the necessary prior payments to be made and the balance to be paid to the people. Against that we have this vague statement; in this bill:

The board may utilize the fund created by the charges or tolls in connection with the exercise by it or by a local board of any of its powers or for the pooling of returns ...

That is all, it does not say what they are to do with them. It is absolutely certain that the prior section, which says that they may levy tolls and charges, means only trivial charges, does not mean confiscating the whole proceeds of the sale. So there is no provision for pooling the returns, other than the casual reference that they can utilize this—expense fund you might almost call it—for pooling returns.

There must be hon. members behind the government who if they do not care to come out in the committee might use their influence privately to rectify this, because it is going to make one horrible mess.

Mr. WEIR (Melfort): My understanding was that in the scheme submitted in the first draft of the bill one of the things that might be asked for, no doubt would be in some cases, was that the provisions as to the marketing of the product would include the principle of pooling. Because certain members did not read it that way an effort has been made here to clarify it still further. With the consent of the committee, since there still seems difficulty, I would ask that subsections 7 and 8 of section 4 be allowed to stand until this matter has been given further consideration.

Mr. McINTOSH: I have been reading this amending section 7, and like many other parts of the bill it is very abstruse. In the second line you have the coordinate conjunction "or" thrown into juxtaposition with the preposition "for," thus disarranging the sense of the entire amendment. This is the worst drafted bill I think I ever read since I came into parliament. I do not think the minister had much to do with drafting it. I believe it must have grown up too hastily as it were and without giving deliberate thought to the suggestions of parties who approached the minister and the department. The minister surely did not have time to let his intellect play on the mechanism of this bill and clarify it before it got into the house.

An hon. MEMBER: Did you say intellect?

Mr. McINTOSH: Yes, I was considering that there was intellectual ability on the other side of the house.

Subsections 7 and 8 stand.

On section 5, subsection 1—Petition to approve scheme.

Mr. NEILL: I have an amendment to move:

That in lines 2-3 the words "or marketing" be taken out.

The subsection will then read:

A representative number of persons engaged in the production and marketing or the production of a natural product may petition ...

As it reads now a scheme may be put up by people who are engaged in marketing alone. That is highly undesirable. I am willing to go the length of including producers and marketers in one scheme, but the scheme should include producers. Under the present wording it may be put forward by marketers alone, and the producers will thereafter be coerced by a scheme formulated, put forward and boosted by marketers alone. Let us look at the British act; they never contemplated any such drastic thing. They do not even go the length of putting the producers and the marketers together. Here is what they say, "a scheme regulating the marketing of a product by the producers thereof." Nothing about marketers alone. Then in section 3, "every scheme except a substitution scheme shall require a poll of the registered producers." The marketers cannot be registered, it is only producers. Then another place; when the poll is taken it must show two-thirds of the total number of registered producers. Nothing about marketers.

Mr. WEIR (Melfort): Does not the "producer" there mean the person engaged in the curing of bacon and the making of cheese as well as the raising of hogs or production of milk?

Mr. NEILL: It may mean a producer of bacon.

Mr. WEIR (Melfort): That is, what we know as the packing plants?

Mr. NEILL: That may be so, but I want to get away from the idea that two or three commission agents or brokers may get control of an industry. You will achieve that end if you insist on the producers being in the deal. "No person shall be entitled to vote on the poll unless he is registered." He can only be registered if he is a producer. I think that goes to the very crux of the matter. I think such a provision will do away with a good deal of the objection that has arisen in connection with fish, for example. Two or three exporters could get control of the fishing industry. I suggest this for the consideration of the minister. I am meeting him more than half way. The British act says the producers alone, I am willing to put the marketers in along with the producers, but not to leave it to the marketers alone.

Mr. MOTHERWELL: I think we have to give the minister credit for explaining this act as including the marketers. Since the bill came down he has made it plain all through that it is not entirely a producers' bill, it is a trade or marketers' bill also. I never saw exactly how it could be worked, I admit, but that was the explanation given by the minister, he evidently meant it to be just as it is. But I would support the suggestion just made by the hon. member for Comox-Alberni, that it is not desirable to pretend to have a producers' marketing scheme and then have others in it in addition, as might occur as the bill stands. You will be just where you were before. I do not want it too exclusive, but I can imagine conditions such that if you let the regular trade in you will have the Old Nick to pay. I do not see how they could get along together at all. I do not think that was meant by the government at the outset, nor do I think it was meant by those who asked the government for this legislation. The producers in British Columbia and Ontario and the prairies certainly had the idea that it was a producers' marketing bill. Now as indicated it may be a marketers' marketing bill, or a bill for joint marketers and producers. We are on delicate ground here and I think we should be very careful, because if you are going unequally to yoke together two classes in a marketing scheme it will be like getting a bunch of Kilkenny cats to work together. The minister would do well to look into it further and see if he can explain what the government means. I think the bill is just now the way he has explained it, but I do not think it will work.

The CHAIRMAN (Mr. Morand): The amendment moved by Mr. Neill is:

That the words "or marketing" in lines two and three of subsection one of section 5 be struck out.

Mr. WEIR (Melfort): In drafting the bill we have endeavoured to keep it flexible so far as possible, especially for the first year of its operation. There was one difficulty that came to our notice during the past two years and which led to this section being drafted as it is. Some two years ago a large number of

representatives of creameries met with me in this connection; some of them were cooperative and some were not. I believe at that time all the larger ones were in agreement with the exception of one firm. If all the creameries in Canada were cooperative they would come under the classification of producing and marketing and this would not be necessary, but since there are some creameries that are not cooperative, without these words it would be impossible for them all to get together and submit a scheme for the regulation of the marketing of dairy products. That is just one instance that comes to my mind. I believe this paragraph was arranged in this way in connection with creameries especially, but it might apply in the case of canneries and so on as well.

Mr. TOTZKE: The creameries are producers, are they not?

Mr. VALLANCE: I really cannot agree with the hon. member for Melville (Mr. Motherwell) or my good friend from Comox-Alberni (Mr. Neill). I can see the possibility of a situation arising in connection with an organization which is peculiarly a marketing organization. We will take the hog producers. They may band themselves together to sell their hogs to a second individual or group engaged in packing. My hon. friend from Humboldt reminds me that they also produce bacon, and the question arises as to just when a hog becomes bacon. The answer is when it is cured, but I think it is to overcome that difficulty that marketers are included in this section.

Mr. NEILL: In that case you would simply have two boards, one for the hog producers and one for the bacon producers. They are both producers.

Mr VALLANCE: This may be superfluous if you are going to designate a packer as a producer. He is only a processor in the creation of bacon or ham, and I can see that otherwise you might exclude certain individuals who are engaged in legitimate business from creating the very thing that all producers desire to create. To-day we have producers and marketers in one organization, known as the wheat producers. We both produce and market. There are others outside that pool of producers and marketers who are only producers of wheat. Under this bill they may, if they choose, band themselves together as producers, but then you may have someone—a miller, if you like—come along and take my entire production. He produces flour, and he also markets flour. Are you going to argue that the whole question of marketing is unnecessary and should be eliminated?

Mr. NEILL: No, the millers can have a board for the producing and marketing of flour.

Mr. VALLANCE: Someone reminds me of the grain exchange, who buy and export wheat. I do not think there is another organization engaged in the marketing of a commodity in quite the same position as the grain exchange. The other groups are engaged in processing or marketing the pooled product of some other group, and by that very act they become producers.

Mr. NEILL: Does the hon. member say the grain exchange processes wheat?

Mr. VALLANCE: No, I say they are the outstanding example of a group not being processors of anything; they are only marketers, so this would allow that portion of the crop which is not pooled to be created into a pool through the grain exchange, if they so desired.

Mr. NEILL: The hon. member has proved my case; he has suggested the possibility that the grain exchange may get control of the wheat producers.

Mr. VALLANCE: No, they cannot do that. In the old pool we had over fifty per cent of the producers, and I think they would be willing to enter into another pool. That portion that did not come into the producers' pool might come in under the grain exchange, if they desired. They may be compelled to do so, but first you must have a vote. If over forty per cent stayed out of a voluntary pool surely my hon. friend would not suggest that they would vote themselves into a compulsory pool, so probably you would have a certain percentage of the wheat producers who would not come under any scheme.

Mr. NEILL: They would have to do so; the minority of the wheat producers would have to come under the scheme if the majority asked for it.

Mr. VALLANCE: Then let me ask a question. My hon. friend says we are all going to be forced in. How large will the unit be? Does he suggest that the province of Saskatchewan, because it has a large production, can force Alberta and Manitoba into such a pool without those provinces having any thing to say about it?

Mr. BROWN: We have not come to that point yet.

Mr. VALLANCE: That is a question I should like to put to my hon. friend.

Mr. NEILL: There is a saying that you cannot serve God and mammon; you cannot be a producer and serve the marketing end alone. I should think my hon. friends from the prairies would be only too glad to get away from the control of the grain exchange.

Mr. VALLANCE: I am not arguing in favour of the grain exchange at all.

Mr. NEILL: Is that not the inference, that you will allow them to come in?

Mr. VALLANCE: By your very act you are forbidding over forty per cent, under the voluntary pool, from having any say as to whether they can be pooled under some other system than that which you say they should have.

Amendment negatived on division.

Mr. COOTE: Just for information I should like to ask the minister a question in regard to the creameries, which he mentioned. If a number of the creameries that are not cooperative in any sense of the word but are simply private creameries got together and set up a scheme, might they be formed under a provincial board so that the scheme would only include private agencies engaged in marketing dairy products, without reference to any of them being producers in any sense?

Mr. WEIR (Melfort): Yes, I should say that would be possible within a certain area, if the vote included seventy-five per cent of the production.

Mr. MacINNIS: I think more consideration should be given this section; I am fully in accord with the contention of the hon. member for Comox-Alberni. This act was introduced primarily to improve the methods and practices of marketing, but that was only to benefit the primary producers and not necessarily those interested only in marketing. I do not think the primary producer will be in any better position if those who are primarily interested in marketing are going to be allowed to invoke this act in their own particular interest. I think the minister should give a little more consideration to this point. It may be difficult for me to see the implications of what is involved here at once, but I think the point raised by the hon. member for Comox-Alberni is a very pertinent one and should receive more consideration.

Subsection 1 of section 5 agreed to.

On section 5, subsection 2—Reference to board.

[Mr. Vallance.]

Mr. MOTHERWELL: I have a suggestion here, Mr. Chairman. I do not want to move it as an amendment. I anticipate that there will be a number of suggestions made, and I at least am going to make one, but not in the form of an amendment. I would like to submit it for the consideration of the minister and the government. Perhaps it could come in at the end of subsection 2, but I am not sure just where it should come in as there are so many places where it might be inserted. I will read it, not as an amendment but just as a suggestion to the minister so that if this whole section stands he can consider it:

Provided, however, that the minimum favourable vote however given expression to shall be on a range basis of from 66⅔ to 85 per cent of the vote polled.

The way the bill is now there is no mention of such a range, or indeed any percentage at all. A straight percentage of 66⅔ would not seem to be quite sufficient for some commodities. I do not think we could fix a flat percentage to apply to all commodities, and in order to have a flexibility about it, and to take away a little of the responsibility that the minister must necessarily have the way the bill now reads, I am making this suggestion.

Mr. WEIR (Melfort): That would come under subsection 3.

Mr. MOTHERWELL: Yes, if we pass subsection 2 the way it is. I have not drafted it quite properly, and I am offering it simply as a suggestion, but the way it reads is this:

Provided, however, that the minimum favourable vote however given expression to—

By poll or in any other way.

—shall be on a range basis of from 66⅔ to 85 per cent of the vote polled.

Then the minister would have some discretion in fixing the percentage, depending upon the commodity under consideration, between those two extremes of 66⅔ and 85 per cent. I would not put it away up to 90 per cent or run it away down to 50 per cent, but keep it within that range I suggest. I think that that would be preferable to having it wide open and throwing the whole responsibility on the minister. I am sure he does not want any more responsibility than he must have under this bill. He may have to decide in connection with a scheme out in British Columbia, many miles from Ottawa, just what percentage there shall be of the vote polled, whether it shall be fifty or sixty or ninety per cent, but if my suggestion is

adopted the range would be from 66⅔ to 85 per cent. I would ask the minister to consider that and see if he can work out an amendment along those lines.

Mr. WEIR (Melfort): That will be discussed on subsection 3 when subsection 2 is passed.

Subsection 2 of section 5 agreed to.

On section 5, subsection 3—minister may recommend approval.

Mr. DUPRE: I beg to move, Mr. Chairman, to strike out subsection 3 of this section and substitute the following therefor:

(3) Upon receipt of a report from the board recommending the approval of the scheme as submitted or as amended by the board, the minister may recommend the approval thereof, or may require that a poll be taken and state the necessary percentage of voters favouring the scheme to warrant its further consideration; upon the recommendation of approval by the minister, the governor in council may approve the scheme and fix the date when the same shall become effective.

Mr. NEILL: Will you read the amendment, Mr. Chairman?

Mr. DUPRE: It is the printed amendment.

Mr. NEILL: I have an amendment to offer to that amendment, if you are not going to read it, Mr. Chairman. I propose to strike out in the third line the words "or may" and to substitute therefor the words "but shall." It would then read like this:

Upon receipt of a report from the board recommending the approval of the scheme as submitted .... the minister may recommend the approval thereof but shall require that a poll be taken.

The object is to make compulsory that there shall be a poll. What is the use of talking about a thing which may or may not be done, leaving it to somebody else to decide. The whole act teems with evasions or vague possibilities of that kind. We cannot risk our whole scheme of a livelihood on the decisions that may or may not be given by a board under this act.

I shall not take time to read all the references to the sections of the British act which state that a poll shall be taken and which contain most positive and definite provisions for taking the poll. For instance, the minister has to advertise it, secure a list of the producers, and the poll "must" be taken. There are even references to carrying out the poll with the same care and finality as regards corruption as is taken under the Elections Act. That shows you how seriously they regard it.

But let us come a little nearer home, to British Columbia. We have heard references to how much British Columbia wants this legislation. I have had some correspondence with the secretary of one of the organizations out there, and I shall quote a few words from my letter to him dated October 25:

Of the general principle involved I am in favour. I understand that the Hon. Mr. Weir has had this matter under consideration for years. Why not ask him to formulate and introduce a bill into the house early next session? It could be read a first time, which commits no one to it, and sent to the agricultural committee. They could hear witnesses of various bodies and interests. If deemed necessary, they could bring in a report to the house recommending that it be stood over for that session and meantime circulated throughout the dominion and, on the representations made, the government could prepare another or revised bill to bring down in the next session with a much better prospect of passing it as non-contentious legislation.

Does not that sound like the voice of prophecy, considering that it was written last October? Here is what one of these men who is authorized to deal with the minister and who was in personal touch with the minister wrote me in reply:

First the intention is to secure legislation from the federal house.

A little further on he says:

If an act is passed similar to the British Marketing Act—

I wonder if this act is similar:

—we will then have legislation which will allow of any scheme which has been submitted to the dominion and provincial governments and received their approval or the ministers of agriculture of those governments, and after the scheme has been printed and sent out to all registered producers a poll will be taken conforming with the regulations of the act and by means of this poll an expression of opinion secured from all registered producers of the commodity involved.

Those are the men who have been cited again and again as interested in this act. The man who signs that letter is the secretary of the British Columbia subcommittee of the Canadian Horticultural Council, and I have heard it quoted in the house that the Horticultural Council was intensely pleased with this bill and endorsed it. But when I looked the matter up I found that they said, "with modifications." Let me call attention to the men who did this agitating. They had a convention at Regina, and they met the minister there. Who are these men? They were representatives of the dairy, fruit and vegetable industries; also Mr. Millikin of the Saskatchewan wheat pool. He seems to have been very prominent in it. It says:

Mr. Millikin, who is solicitor for the Saskatchewan wheat pool, recently conferred with Mr. Bennett and Mr. Weir at Regina and at the expressed wish of Mr. Weir is, I believe at the present moment, in Ottawa for the purpose of discussing the whole matter with the federal Minister of Agriculture with the idea of completing the draft of the act ...

I wonder if this Mr. Millikin is the villain in the piece, the man who drew this abortion of a bill.

The point I was going to make is that the representations come wholly from the primary agricultural industries. Do they say anything about fish or lumber? Not a thing. But I am getting away from my point. My point is this. These men from British Columbia did contemplate having a very definite and precisely worded bill, and they were prepared to sink or swim by such a bill. But here on this very important question of holding a poll this bill says that the minister "may" require that a poll be taken. There again is all of that vicious element. It makes it possible under the amendment that was wrongly passed a few minutes ago to put the whole thing into the hands of a few marketers, commission agents, it may be. Do you think they will want to take a poll? Not on your life. Do you think their scheme will suggest the taking of a poll? That is the last thing they will want to do when there is any suggestion of getting control. The hon. member for South Vancouver (Mr. MacInnis) said very truly that the poll was intended for the primary producer but before we finish up with this the control will be put back just where it is at the present time.

Mr. MOTHERWELL: The proviso which I suggested should really be added to subsection 2 but that subsection has been passed. As I understand it, a proviso is not numbered, it is a sort of leanto to the main section or subsection. The words "provided however" should be added to number 2. I hope this subsection will stand as there is a lot in what the hon. member for Comox-Alberni (Mr. Neill) says. Referring to the complaint of Mr. Millikin I claim that the largest organization of producers of which I know in Canada, the wheat pool, should have had representation at either the Regina or Toronto meetings or any other in which they are interested, but I suppose that is neither here nor there. I think it is unfortunate to have no percentage mentioned in the bill. The minister will not have a moment's peace from one end of the year to the other if he has to be the only one to decide the percentages. Then we should decide how the poll shall be taken, by referendum, plebiscite or other means. Perhaps I should not be so much concerned in reducing the responsibility of the minister. However, if there was a range within which the minister would have a choice perhaps some hope would be given to those who are sensitive about the compulsion feature that they would come in under the higher range while the easy ones could come in under the lower, or vice versa. There would be a range which would be in harmony with the difference which must exist between the schemes proposed.

Mr. VALLANCE: I should like to ask the hon. member for Melville (Mr. Motherwell) a question. When you refer to placing them between 65 and 85, are you referring to growers or to quantity of production? Let me give an illustration. You may have a man with 50 acres of wheat, he is a producer; you may have another one with 2,000 acres, he is a producer. As it is now, being left in the hands of the minister, some recognition may be given to the volume as well as to the number of individuals.

Mr. MOTHERWELL: I think that ought to be left to the minister and I would rather he do it than I. Someone would have to specify a franchise with ballot boxes, scrutineers and all that sort of thing. I am quite willing to leave the methods and the qualifications of the voters to the minister, but better still to the provinces. You would have to have a regular franchise and qualification for voters and all the paraphernalia, but the provinces can determine that.

Mr. VALLANCE: You would have to have qualification anyway.

Mr. MOTHERWELL: They would have the term eligible, registered producer. The government are changing this bill very much and I should like to have a little of the original bill left for identification purposes.

Mr. VALLANCE: Do you want to justify your first vote ?

Mr. MOTHERWELL: Yes, but I also have some mercy on the government.

Mr. BROWN: What is the object in setting 85 per cent when the object to be achieved can be achieved just as well by setting a minimum of say 66 and two-thirds per cent.

Mr. WEIR (Melfort): Might I suggest that the amendment to the amendment does not deal with this and it would be better for the committee to deal first with the amendment to the amendment.

Mr. MOTHERWELL: In reply to the hon. member for Lisgar (Mr. Brown) I might state that when the minister was reading off the list of the various groups of producers in Queensland in nearly every case they were above 85 per cent.

The CHAIRMAN (Mr. Morand): Could we deal with this subamendment?

Mr. MOTHERWELL: I am trying to deal with it. I am not supposed to be questioned by another hon. member, but I am trying to reply. Nearly all the votes in Queensland were above 85, so that that would not be an unreasonably high figure. Some of them go as high as 99.

Mr. WEIR (Melfort): The point now under discussion does not come up under the amendment to the amendment.

Mr. HEAPS: Just how is this poll to be taken?

Mr. NEILL: If any.

Mr. MACKENZIE KING: The amendment to the amendment clearly has to do with that.

Mr. HEAPS: Might I have an answer to my question as to how this poll is to be held.

The CHAIRMAN (Mr. Morand): Will the committee just deal with this first?

Mr. HEAPS: This arises out of the amendment, the one says "shall" and the other says "may."

The CHAIRMAN (Mr. Morand): An amendment is moved by Mr. Neill that the words "or may" in section 5, subsection 3, line 4, be struck out and the words "but shall" be substituted therefor.

Mr. MACKENZIE KING: That amendment has to do with the way in which a poll is to be taken of those who are to have the say as to what regulations are to be recommended to the minister.

Mr. WEIR (Melfort): I would say that the amendment to the amendment does not discuss how the poll shall be taken or the percentage of the vote, but that there shall be a poll. The only question before the committee is whether or not there shall be a compulsory poll, the question is not as to how the poll shall be held.

Mr. MACKENZIE KING: Under the subamendment I should say it would be quite proper to discuss anything that affects the particular recommendations that are to be made to the minister. If there is a poll, they will be made subject to that poll; if there is no poll, the regulations will be made in another way. It all comes back to the question of regulations. Before we proceed further it would be well for the committee to consider just where we are going in the matter of this proposed legislation. I should like to give the minister certain reasons why I think this and some other sections ought to be held over for further consideration before the committee is asked to support them. The regulations that are to be drafted and that are to become the law are to be made exclusively within the ambit of interested producers and the governor in council. Parliament does not enter into the picture at all. That is the first feature that I wish to make clear with respect to what this parliament is being asked to do. It is being asked to authorize certain interested groups combined with the governor in council to make what hereafter are to be the laws of the land. I say that that is an entirely wrong departure, that it amounts to what I have referred to before as a political revolution in the manner in which laws are hereafter to be made in this country. I do not think we ought to countenance such a step unless we are fully aware of where it is taking us in the matter of legislation.

The effort to get away from parliament is not new as other countries and other governments have been faced with similar difficulties. The parliament of Great Britain has to deal with a much larger number of subjects than this parliament, it has to deal with all the subjects which under our constitution are assigned to the provinces as well as to the dominion. That parliament has found it necessary to do a certain amount of delegating with respect to matters of legislation but in delegating powers to local bodies the parliament of Westminster very soon discovered that unless they were to depart entirely from the British constitution, to get away from the rule of law and the sovereignty of parliament it was necessary that some very clearly defined rules should be laid down within which it would be permissible for the minister to approve or disapprove of regulations, or for local bodies to be permitted to make regulations without the full approval of parliament with respect thereto. The Prime Minister of to-day has frequently directed the attention of this house to a volume which has been mentioned in the course of this debate—a work by the chief justice of Great Britain, Lord Hewart of Bury. The volume is entitled "The New Despotism." I doubt if hon. members have realized that this volume written by the Lord Chief Justice of Great Britain was written as a protest against the sort of thing we are here being asked to do at the present time, a protest so strong that the

British parliament found it desirable to appoint a royal commission to report upon the whole question of delegated powers. I intend to read an extract or two from this work, and a paragraph or two from the report of the commission which submitted its findings to the British parliament, so that we may see how immediately those findings bear upon what is before this committee at the moment.

The situation as it presented itself to the Lord Chief Justice of England has been expressed by him in a paragraph in the introduction to this volume, under the title "The Nature of the Question." The author says:

> The paradox which is in course of being accomplished is, indeed, rather elaborate. Writers on the constitution have for a long time taught that its two leading features are the sovereignty of parliament and the rule of law. To tamper with either of them was, it might be thought, a sufficiently serious undertaking. But how far more attractive to the ingenious and adventurous mind to employ the one to defeat the other, and to establish a despotism on the ruins of both! It is manifestly easy to point a superficial contrast between what was done or attempted in the days of our worst kings, and what is being done or attempted to-day. In those days the method was to defy parliament—and it failed. In these days the method is to cajole, to coerce, and to use parliament—and it is strangely successful. The old despotism, which was defeated, offered parliament a challenge. The new despotism, which is not yet defeated, gives parliament an anaesthetic. The strategy is different, but the goal is the same. It is to subordinate parliament, to evade the courts, and to render the will, or the caprice of the executive unfettered and supreme.

The foregoing appears at page 10. I contend that every line of that paragraph is borne out by what has been happening in this committee since the introduction of this measure. It is perfectly clear that the tendency of this legislation is to get away from the supremacy of parliament in the making of laws, to get away from the rule of law as determining the rights of subjects throughout the entire dominion. Perhaps I had better refer to an earlier page in this volume where Lord Hewart says:

> The citizens of a state may indeed believe or boast that, at a given moment, they enjoy, or at any rate possess, a system of representative institutions, and that the ordinary law of the land, interpreted and administered by the regular courts, is comprehensive enough and strong enough for all its proper purposes. But their belief will stand in need of revision if, in truth and in fact, an organized and diligent minority, equipped with convenient drafts, and employing after a fashion part of the machinery of representative institutions, is steadily increasing the range and the power of departmental authority and withdrawing its operations more and more from the jurisdiction of the courts.

That is exactly what is proposed by this very section; it is to take away from parliament first of all the making of the law, to put the laws governing the regulation and marketing of products into the hands of occupational groups in local areas who, in order to have their regulations become law, shall be subject only to the approval of the governor in council. And such regulations are to be given their widest scope in some instances subject only to the approval of the minister. It begins and ends outside of the ambit of parliament altogether.

Now I say that legislation of the kind should not be countenanced by this parliament for one moment. It is not necessary to get away from the authority of parliament, it is not necessary to do away with the making of laws in accordance with the practice and procedure of this House of Commons, in order to give the farmers of this country or any other class what is needed in full to safeguard their interests and to improve their condition where that is possible.

I have referred to the action of the British parliament in appointing a royal commission to study the whole question of the delegation of powers. I have in my hand the report of that commission on ministers' powers. Report Presented by the Lord High Chancellor to Parliament by Command of His Majesty, April 1932. The report states that the committee was appointed:

> to consider the powers evercised by or under the direction of (or by persons or bodies appointed specially by) ministers of the crown by way of (a) delegated legislation and (b) judicial or quasi-judicial decision, and to report what safeguards are desirable or necessary to secure the constitutional principles of the sovereignty of parliament and the supremacy of the law.

That was the purpose for which the commission was appointed. Now what does this commission say as to the essentially subordinate character of delegated legislation? I would suggest to hon. members that they read carefully the entire report, but this one section bears immediately on the legislation which is before us at the moment—this section with regard to the essentially subordinate character of delegated legislation. All this legislation that is left to the local boards to be approved of by the governor in council is delegated legislation, and with respect to delegated legislation this royal commission has reported that certain safeguards should be thrown around such legislation, safeguards wholly lacking in this measure. In that regard may I read one paragraph which appears at page 20:

The power to legislate, when delegated by parliament, differs from parliament's own power to legislate. Parliament is supreme and its power to legislate is therefore unlimited. It can do the greatest things; it can do the smallest. It can make general laws for a vast empire; it can make a particular exception out of them in favour of a particular individual. It can provide—and has in fact provided—for the payment of old age pensions to all who fulfil the statutory conditions: it can also provide—and has in fact provided—for boiling the Bishop of Rochester's cook to death. But any power delegated by parliament is necessarily a subordinate power, because it is limited by the terms of the enactment whereby it is delegated.

It is a principle of our constitution that whatever laws are passed by parliament are binding, as the law of the land, on everybody. But it is also a principle of our constitution that no one may be deprived of his liberty or of his rights except in due course of law—i.e., unless he has done something which the law says specifically shall have that effect. In the absence of a common law or a statutory authority, "A" cannot be deprived of rights by an executive act of a minister; and if the minister claims to have made a regulation entitling him to interfere with "A's" rights, the courts will interfere to stop the minister unless he can show by what authority, statutory or otherwise, he has made the regulation in question.

It follows, therefore, that to safeguard the second of the two principles just mentioned the precise limits of the law-making power, which parliament intends to confer on a minister, should always be defined in clear language by the statute which confers it.

There is nothing here in the nature of statutory law, nothing that may be cited as law, to which all persons in the country will be subject. The very essence of this proposed legislation is that there shall be one law for one locality and another law for another, that the producers in one province may have one scheme and the producers in some other province another. These schemes, not if they receive the approval of parliament, not if they find existence in a statute or a resolution approved by parliament, but simply if sanctioned by the governor in council, are to become the law of the land. That is a very serious departure from anything that has been done or attempted in this parliament heretofore and I hope the minister, before he asks the House of Commons to commit hara-kiri so far as its functions are concerned and, with respect to marketing legislation, to turn over the whole business to occupational groups to be subject only to the approval of himself and his colleagues in council, will consider where that tendency, that particular step, is going to land this country in the matter of its legislative enactments.

The other day I was pointing out that in other parts of the world certain tendencies are at work which are wholly subversive of political institutions, for instance, the tendency in Russia where parliaments are ignored and the matter of legislation left to the regulations of occupational groups to determine according to their self interest, regardless of the people as a whole who may nevertheless be vitally affected by much of the regulatory legislation there enacted. There is the further tendency in Italy, Austria and Germany where one individual or a group that has authority for the moment may take advantage of that authority to say what the regulations are that are to govern. Both of those tendencies are wholly subversive of all that British parliamentary institutions stand for, and yet by this legislation we are being asked to endorse each of these two tendencies. We are being asked first of all to allow the making of certain laws to be left in the hands of self interested class groups and to leave to an interested minister to say whether or not their particular scheme is to be approved. If I wished to take up the time I could quote from this volume paragraphs which state that in any case where any matter of a judicial or quasi-judicial character is left to a minister for approval, care should be taken to see that the minister to whom the matter is left is not a minister of the crown who may by any chance be interested in the particular subject that is being brought before him. But this bill provides that the Minister of Agriculture shall be the one to settle whether a scheme affecting certain occupational groups, namely, for the most part those having to do with agricultural matters, shall be approved.

Mr. WEIR (Melfort): Not to settle that entirely. That is subject to the approval of the governor in council.

Mr. MACKENZIE KING: I know that, and it is a very nice way of evading the point.

Mr. WEIR (Melfort): That was a straight statement. Perhaps the right hon. gentleman cannot appreciate one. I was not evading anything.

Mr. MACKENZIE KING: I meant nothing offensive. The minister is a little sensitive.

Mr. WEIR (Melfort): Not at all, except as to the use of the word "evading."

Mr. MACKENZIE KING: Let me explain what I was going on to say. Last week when we were discussing this matter an effort was made on this side to find out who was to be the minister in charge of the administration

of the act, we were then told by a member of the cabinet that it was almost a certainty it would be the Minister of Agriculture. Now, when I say that the minister who is interested should not be the one to be determining the question whether a scheme shall be approved, my hon. friend says that the question of who the minister shall be is not yet determined. I say that that is evading the point. If the word is offensive, I am quite prepared to withdraw it, for I did not intend it as such.

Mr. WEIR (Melfort): From what the right hon. gentleman said last, I do not think he and I are discussing the same problem. What I stated was this: I said that the question whether a scheme was acceptable or not was not settled by the minister administering the bill but was subject to the approval of the governor in council.

Mr. MACKENZIE KING: I am quite prepared to accept what the minister says as to the scheme being subject to the approval of the governor in council, but the scheme has to be proposed to a certain minister, the minister administering the legislation, and it is he who makes the recommendation for its approval to the governor in council. If one were to follow the directions of the royal commission which has been accepted by the British government as governing in matters of this kind, it would be regarded as an erroneous course of procedure, to leave the determination in the first instance of matters affecting all classes to a minister who was interested more particularly in the concern of the one class which has in its hands the drafting of the scheme.

May I point out again that this scheme so-called, and all that goes with it, everything that is set forth as a regulation, is to be what we term the law of the land; it is the law that is to govern, and those who run counter to its provisions will be subject to penalties in the nature of either fines or imprisonment. How is that law to be made? Is it to be made as the ordinary laws of this country are by members chosen under some elections act with all the safeguards of the franchise and other machinery of an elections act to ensure that those appointed will represent all classes in the community? Or is it to be framed to ensure that only one class will have the say as to what the law is to be? To realize the situation you have to read only this clause: it is simply the interested class who are to make the law; no other class is to have a look-in.

What is the amendment before us at the moment? We have to decide whether there is to be a poll not of the entire producers in a community or of all classes in the community but of one interested class. In supporting or opposing the amendment the choice is to lie between whether we will countenance the making of a law with a poll rather than without a poll of an interested occupational class, namely those of the particular rather than of the general interest involved. That is something this house should not be asked to countenance. The other day reference was made by the hon. member for Winnipeg North Centre (Mr. Woodsworth) to what he thought was a parallel case. He spoke of the practice followed with respect to local option and asked me whether with regard to local option the same kind of thing did not take place. I pointed out to him that under local option everyone in the area, whether he was a teetotaller or the opposite, had a vote with respect to whether the provisions of a particular act should apply in the locality concerned. The very essence of all our legislation is to see not merely that an interested group but that all citizens have a say with regard to what is to be the law. Would we leave legislation in respect to temperance exclusively to members of the women's Christian temperance unions? Assume for a moment that this parliament were to be asked to turn over to the Knights of Columbus organizations the making of laws with respect to some question which was a subject of controversy in religion. Would this house countenance that for a minute? Assume that the house were asked that a similar procedure should be adopted with respect to some religious problem only, the power to be given to the Orange lodges of this country which represent other religious groups; would we countenance anything of the kind for a moment? Let me ask the same question with regard to the Manufacturers' Association. If we were asked that only members of the Manufacturers' Association should have the right to frame what was to be the law of the land—

Mr. HEAPS: They do it.

Mr. MACKENZIE KING: If they do it, they have to do it by way of getting a ministry responsible for their actions to come to parliament and present their entire proposal to the house for discussion. What I wish to point out is that there need be no discussion of a public character anywhere of the matters with which these local groups will be concerned. These occupational groups—that is the correct term to use; representation by occupation in the making of laws, not representation by population, if we in-

clude in population all classes in the community—are to frame the schemes and turn them over to the governor in council for approval; if the governor in council approves them, then they become part of the law of the land.

Mr. SPEAKMAN: Might I ask the right hon. gentleman a question just on that point? I think I see his point although I cannot agree with its application. I quite agree, as he has said, the bringing in of the scheme and therefore the question of passing regulations is being confined to one class, but is it not true that the regulations will be imposed only upon that same one class and will not affect the general community as a general law would do?

Mr. MACKENZIE KING: You cannot impose regulations on one class without their affecting all classes. My hon. friend has been long enough in parliament to know we are all members one of another in any community so far as anything of vital importance is concerned.

Mr. MacINNIS: In just the same way as the tobacco manufacturers and growers were members one of another.

Mr. MACKENZIE KING: If my hon. friend feels so keenly why does he not bring in a bill?

Mr. MacINNIS: My right hon. friend would not vote for it.

Mr. MACKENZIE KING: Is he going to leave it to the tobacco growers to settle for themselves what the law is to be?

Mr. MacINNIS: It was left to them for nine years.

Mr. MACKENZIE KING: It was not left to them for nine years. That special legislation may not have been introduced in this parliament to deal with that specific occupation may be true, but it does not signify that parliament was not free at any session, or that my hon. friend was not free at any session, to introduce any bill he wished and have it discussed. What we are proposing now is to do away altogether with discussion in parliament, to say that parliament shall have no voice in the matter. That is the point. Those who are supporting this measure are supporting a proposal that what is to be the law of the land, so termed, shall be something framed by interested occupational groups, and only subject to the approval of the governor in council; not subject in any way to the approval of parliament. I am not going over the ground further, but I submit that hon. members cannot, consistently with their duties as representatives of all classes in the community, subscribe to legislation which goes that far in depriving parliament of its sovereignty, and in doing away with what is rightly understood as the law of the land.

Mr. NICHOLSON: For some weeks now we have heard this general discussion regarding the manner in which the functions of parliament will be abrogated if we pass this legislation delegating the authority of parliament to some organization outside of parliament to do something that parliament wants to have done. The whole question comes back to this: Do we or do we not desire to provide means by which the primary producers in this country may get together to work out methods by which they shall get the ultimate value of the product they produce? My right hon. friend has read at length from the report of a royal commission presented I understand to the British parliament in 1932. He states that the British government has accepted the principle laid down in the report as the basis upon which future legislation might be enacted. I have before me the act finally passed by the parliament of Westminster on the 18th of July, 1933, dealing in the main with the very question that this house is now dealing with or has been trying to deal with, that is to say the marketing of agricultural produce. It is different in this sense, that in the main this act deals with importations, because of necessity the United Kingdom is largely an importer of such produce, but it also deals with the production of agricultural products of every description and the sale of these products in the United Kingdom. It provides:

> Subject to the provisions of this section, the board of trade, after consultation with the Minister of Agriculture and Fisheries and with the Secretaries of State concerned with agriculture in Scotland and Northern Ireland respectively, may make an order regulating the importation into the United Kingdom of any such agricultural product as may be specified in the order, if it appears to the board, after such consultation as aforesaid,—

Now all the difference between the principle laid down in this preamble and the principle of this bill is that the board of trade acts instead of the marketing board. The minister remains the same, namely the Minister of Agriculture, with the Secretaries of State for Scotland and for Northern Ireland. What follows.

(a) that there have been, or are being, taken all such steps as are practicable and necessary for the efficient reorganization, by means of agricultural marketing schemes or schemes under this act, of those branches of the agricultural industry in the United Kingdom in whose interests the order is made; and

(b) that without an order under this section the effective organization and development of the said branches of the agricultural industry in the United Kingdom under such schemes as aforesaid cannot be brought about or cannot be maintained;

Now who is it that puts these schemes into effect? Is it the parliament of Westminster? Do the House of Commons and the House of Lords sit and work out these schemes in detail, or are they delegated to some other authority?

(2) Without prejudice to the generality of the powers conferred by the foregoing subsection, an order under this section may regulate the importation into the United Kingdom of the agricultural product to which the order relates, by determining for any such period as may be specified in the order—

(a) the quantity of the product, or of any description thereof, which may be imported;

(b) the descriptions of the product which may be imported.

Let us pass on—

Mr. MACKENZIE KING: Before leaving that, my hon. friend is reading what I am pointing out is lacking in this measure, namely that there are certain statutory limitations by parliament as to what the particular board to which he is referring can do. The board is confined by parliament in the manner which is there set forth. You do not find anything in this act which sets out in a broad way within what limits the governor in council and these boards have to act.

Mr. NICHOLSON: The authority is vested absolutely in the board of trade and the minister. Now the board of trade is not parliament. It is true that the secretary of the board of trade is a member of the cabinet, as is the Minister of Agriculture, and to that degree the secretary of the board of trade and the Minister of Agriculture are the heads of these two organizations. But let me repeat what I said at the beginning; the board of trade stands in the place of the marketing board so far as this country is concerned. We have no institution comparable with the British board of trade. Read through this act from beginning to end—I am not going to weary the house by attempting to do so—and it will be seen that the powers set out in the marketing act before us, Bill No. 51 with these amendments are virtually, so far as production and sale are concerned, identical with the powers in this act passed by the British parliament on July 18, 1933.

[Mr. Nicholson.]

At this point let me say that this act of the United Kingdom gives power to limit the class and kind and quantity of every description of agricultural produce that may be imported into that country, and the marketing of agricultural produce of Canada so far as export to the United Kingdom is concerned is impossible without some enabling legislation of this character. But may I go on:

(4) Any expenses incurred under this section by the board of trade for the purpose of regulating the importation of an agricultural product into the United Kingdom shall be defrayed out of moneys provided by parliament.

You notice that any expenses incurred by the board of trade—not parliament—for the regulating of importations shall be defrayed out of moneys provided by parliament. The importation of agricultural produce into the United Kingdom is regulated by orders enforced under the foregoing sections.

Then it provides for the descriptions of the product which may be sold and the quantity. Let me come to another provision.

3 (1) The Minister of Agriculture and Fisheries and the Secretaries of State concerned with agriculture in Scotland and Northern Ireland respectively, acting in conjunction, . . . shall appoint a committee for the United Kingdom, which shall be called, and is in this act referred to as, "the market supply committee."

(2) It shall be the duty of the market supply committee—

Not the board of trade or the minister, but the committee appointed by these two, to do what?

—to review generally the circumstances affecting the supply of agricultural products in the United Kingdom and to make recommendations to the said minister and secretaries of state as to any steps which ought, in the opinion of the committee, to be taken for regulating that supply, and, in particular, to give to the said minister and secretaries of state advice and assistance in connection with the discharge of their functions under this part of this act and to report to them on the operation of any order in force under this part of this act and of any arrangements made for controlling the importation of an agricultural product into the United Kingdom.

What we are trying to do, or at least what I conceive this bill is trying to do, is to provide a means by which the exporter, the man who produces and sells his products in this country, will be given the same machinery to protect himself that the importer has in the United Kingdom. I continue reading:

The appointing authority—

And that again is the president of the board of trade—

—may pay such remuneration to the chairman and other members, and to the secretary, officers, agents and servants, of the market supply committee, and such other expenses of the committee, as the appointing authority, with the approval of the treasury, may determine.

A great deal has been said with regard to parliament delegating power to an outside authority with regard to penalties. There are penalties all through this act, not imposed by parliament itself but provided for the violation of regulations made by the board of trade, the minister, the market supply committee or any other agent. Let me read just one:

Every person who produces any article in contravention of the provisions of a development scheme made in pursuance of subsection (1) of this section—

Subsection 1 is simply the provision by which schemes may be worked out by the committees or boards appointed by the minister.

Mr. NEILL: What section is the hon. gentleman quoting?

Mr. NICHOLSON: I am quoting from section 5 of the British Marketing Act, at page 483:

Every person who produces any article in contravention of the provisions of a development scheme made in pursuance of subsection (1) of this section shall be liable on summary conviction to imprisonment for a term not exceeding three months, or to a fine not exceeding one hundred pounds and an additional fine not exceeding the value of the said article, or, in the case of a second or subsequent offence, to both such imprisonment and fines, and every person who obstructs a person in the exercise of any powers conferred on him by virtue of paragraph (c) of subsection (4) of this section shall, for each offence, be liable on summary conviction to a fine not exceeding twenty pounds.

Mr. NEILL: Will the hon. member allow me to point out that he is dealing with development schemes for organizing the secondary product? It has nothing to do with the act before us.

Mr. NICHOLSON: I heard my hon. friend make that statement before. In relation to this act both the primary and the secondary product deal with the same thing; the secondary product is merely the processing of a primary product, and every particle of the powers involved in connection with primary products is extended to the secondary products.

Mr. NEILL: That is part 2 of the act, a separate part.

Mr. NICHOLSON: I understand that perfectly. Frankly I have not been able to give sufficient time to this bill to know whether it is part 1 or part 2, but whether the bill is divided into several parts or is in only one part the principle involved is the same. The principle laid down in the act is simply that parliament delegates to an authority outside of parliament the power to do those things parliament wants done. Today the question for us to decide—I am not going to read further from this act—is whether or not parliament desires to make it possible for the primary producers in this country to get into a position they have not been in previously, by which they may market their products and receive something like a real return for them. That is the question. As you go out through the country and see what is happening, the need for something like this is driven home to you.

It has been said that parliament is divesting itself of every vestige of its authority in passing an act of this kind, which sets up some organization to do the work parliament wants done. I take it that parliament will assemble here again; the constitution compels parliament to assemble once a year, and parliament can undo anything that should not have been done. Parliament can amend this act; new regulations and provisions can be introduced when parliament meets again. All this talk of violating the constitution, tearing up the Magna Charta and all that sort of thing is simply drawing a red herring across the trail. It just comes back to this, if I may repeat: does parliament desire—as for my part I desire—to put into somebody's hands power that will make it possible for the primary producers to market their goods in an orderly fashion in order to get the best they can out of those goods? If we make a mistake in some clause or paragraph this session we can change it next session.

Let me say this, Mr. Chairman: If it is necessary to change the constitution of this country; if it is necessary to write a new Magna Charta in order that the primary producer may be protected to some degree at least, let us get busy and do it. But I do not believe it is necessary. I do not believe that any of the consequences that have been predicted are going to come about; in my judgment they have been suggested merely as a means of casting doubt and suspicion on the honesty of the minister in presenting this bill.

Mr. TURNBULL: A few evenings ago, in answer to this very same argument by the right hon. leader of the opposition, I quoted to the committee some of the sections of the wheat board bill of 1922. The answer of the right hon. gentleman was that even if those sections were in that act, two wrongs did not make one right, and he argued that even though such provisions were in some other bill that did not make them right in this bill. I will quite agree with him in that if he will agree that what he did in 1922 was wrong, but if he agrees that what he did then was wrong he will have to make his protest against 125 other acts on the statute books of this country.

I do not want to go back over the wheat board bill again, but if I understand the argument of the right hon. gentleman he says the difficulty is that parliament is not making these regulations, that they are being made by an interested class, and that other classes in the community may not be sufficiently protected.

Mr. MACKENZIE KING: May I say to my hon. friend that my point is that there is a difference between statutes and regulations. Regulations are wholly secondary things, but by this act they are being elevated to the position of statutes, and that is what I am taking exception to. You cannot make the law of the land in that way.

Mr. TURNBULL: If my right hon. friend will read the Combines Act, which he quotes so frequently and in connection with which he takes such credit to himself—and rightly so—and if he will turn to section 40 of that act he will find that this section provides for regulations, not made by parliament but to be published in the Canada Gazette, which regulations shall have the same force as if they formed part of the act.

Mr. MACKENZIE KING: Yes, but in accordance with some provision of the statute. In this case the regulations are not to be in accordance with certain provisions that definitely set out the lines along which these local bodies are to regulate. They may do anything.

Mr. TURNBULL: All regulations must be in conformity with statutory law. You cannot have regulations that supersede a statute.

Mr. MACKENZIE KING: Will my hon. friend read the provisions of this act which set forth what the regulations may or may not contain?

[Mr. Nicholson.]

Mr. TURNBULL: You never saw any section of any act setting forth what the regulations might or might not contain. It is the regulations themselves that set forth what they may contain. This act speaks generally; the regulations are for the purpose of arranging for a scheme of marketing certain primary products. They must contain regulations in that regard but no regulations ever set out in an act the details that they must contain. Parliament gives authority to certain bodies to prepare regulations which under certain circumstances become the law of the land. You have that in the Combines Act You have that in the Seeds Act.

Mr. MACKENZIE KING: My hon. friend has referred to the Combines Act. Is there any clause in the Combines Act where any local body may make regulations to govern only in a local district rather than a regulation that will apply to the whole of Canada and be applicable to every citizen of Canada?

Mr. TURNBULL: There is no clause in the Combines Act where local bodies can make regulations applying to local districts. Neither is there in this act.

Mr. MACKENZIE KING: Oh, yes. That is the essence of this act.

Mr. TURNBULL: Will my hon. friend content himself for a moment or two? There is nothing in this act that provides that a local body can make regulations.

Mr. MACKENZIE KING: That is provided for in the very section that we are now discussing.

Mr. TURNBULL: It is not the local body at all that makes the regulation, and that is where my right hon. friend is going astray. What the local body does is to prepare and recommend regulations. That is all. And after they have prepared and recommended the regulations, if they are approved by the minister and the governor in council, they will become the regulations not because a local body prepared them but because the governor in council approved them.

Mr. MACKENZIE KING: May I ask my hon. friend this question? Do these regulations become applicable to all parts of Canada when approved by the governor in council or apply only to the locality named in the scheme that is presented?

Mr. TURNBULL: They apply only to the locality named in the scheme that is described in the regulations. If the regulations say that they apply only to Saskatchewan, they apply only to Saskatchewan, just as my hon. friend's

regulations in the Seeds Act so provided. In the Seeds Act it was provided that certain classes of seeds could not be sold unless the people who sold the seeds were licensed by some licensing body, and under regulations not made by parliament but by somebody else. The Seeds Act also provided that certain seeds could not be imported. There was a restriction on the importation of seeds from one geographical area to another in this country. The Seeds Act, chapter 27 of the statutes of 1923, chapter 185 of 1927, provides by section 3:

> The minister may appoint an advisory board which may at his request prepare and recommend to him such regulations as it is of opinion should be established under this act and may make regulations prescribing
>
> (e) the geographical areas which for the purposes of this act shall be designated as Northern, Central, or Southern, to indicate zone of production for those kinds of seeds described by regulation.

Parliament is not going to make these regulations. They are going to be made by the minister himself, and he did not have to submit them to the governor in council, and he might have been a farmer at that. The Minister of Agriculture, as a matter of fact was a farmer, a self-interested farmer, as my right hon. friend suggests of the present minister, and he was going to make regulations with respect to seeds and the people who were planting seeds and growing them. There is no difference between the two. I do not say it was wrong because the minister of that day happened to be a farmer, and my right hon. friend went a long piece when he talked about the minister making regulations in a matter in which he was personally interested.

Mr. MACKENZIE KING: My hon. friend is not being fair. I took good care to say that I was quoting from the report of the royal commission which considered that feature and stated that a minister of the crown who belonged to a particular interest should be very careful not to be the one entrusted with any discretionary power in regard to matters of decision under an act specifically related thereto. I was not reflecting on the present minister in any shape or form. I have just as high regard for him as my hon. friend has. I was simply stating a general principle which appeals to the common sense of every member.

Mr. SHAVER: Will my right hon. friend permit a question? Does he think it would be better to have a lawyer administer this act rather than a farmer?

Mr. MACKENZIE KING: The parallel would be this. If the matter were one affecting the legal profession I would say that it would be quite wrong to have a lawyer given the discretionary say in the matter at issue as against other classes of the community.

Mr. TURNBULL: I would like to know if my right hon. friend when he was quoting this statement from the royal commission report that a self-interested minister should not administer the act, was quoting it with approval or disapproval. If with disapproval why quote it at all?

Mr. MACKENZIE KING: I was quoting it with approval, certainly.

Mr. TURNBULL: Now we have it. If he was quoting it with approval, then the Minister of Agriculture, if he happens to have a farm and is therefore self-interested, should have no connection in an administrative way with anything connected with the farming business. There is no escape from the logic of that, and a labour man should not administer the Labour department, as one of my colleagues suggests.

The Seeds Act provided geographical areas and zones, and the regulations were made by an advisory board. Parliament did not know what the regulations were going to be or who the advisory board was going to be. Parliament did not know who the minister was going to be for more than so long at a time. Yet nevertheless my right hon. friend's own government put the bill through in exactly the same terms that he is condemning now with such heat and such violence. What has happened since 1923 to make the change?

When we talk about restrictions on importation under this act I would ask hon. gentlemen to look at section 13 of the Seeds Act, which provides:

> No person shall import into Canada for the purpose of selling or offering for sale for the purpose of seeding any seeds which are below the minimum percentages of germination prescribed by regulation for seed of the kind, or which in any other way do not conform to the standards under which seeds or plants of the kind may be sold for seeding purposes in Canada under the provisions of this act.

It goes further and provides penalties for the breach of that sort of thing. Parliament did not know what the regulations were going to be. Parliament did not know who were going to be penalized for breaking the regulations. It was content to leave all that in the hands of the advisory board and have it O.K'd by the minister.

But in this bill we have gone further. We say that people who know a particular branch

of trade they are dealing with may prepare and recommend regulations, and when these regulations are prepared they are then submitted to the minister, and if with the assistance of the officials of his department he finds that they are workable he approves of them. Then they go to the governor in council, and the governor in council speaking for the other classes of the community, representing all classes in Canada, considers those regulations that have been prepared by a class and approved by the minister, changed or unchanged as in his discretion he thinks they ought to be, and the governor in council representing the people of the whole country and the interests of all the other classes of the community approves the regulations if deemed fit. They must be approved by the governor in council before the licences are issued.

Mr. SPEAKMAN: May I ask my hon. friend if it is provided in the Seeds Act that a poll shall be taken of the interested growers before the regulations shall apply?

Mr. TURNBULL: Certainly not, but there is a provision for licensing, and a provision that no person shall:

> sell, offer, advertise, expose or have in possession for sale for the purpose of seeding or planting in Canada, any agricultural or garden vegetable seeds or plants described as a new kind or variety of such seeds or plants with a name that was not in general use for such purpose in Canada between the thirty-first day of March, one thousand nine hundred and twenty-two, and the thirty-first day of March, one thousand nine hundred and twenty-three, unless such person has first obtained a licence so to do from the minister.

That applies to the farmer who wants to sell these things too. He must be licensed, and his trade is restricted under the provisions of that act.

Going back to the Combines Investigation Act, there is power in that act—I am not quarrelling with it—practically to destroy a man's business upon the report of an investigating officer. It provides that when it appears from the result of an investigation made under the provisions of the act or from a number of other sources mentioned to the satisfaction of the governor in council, that as regards any article there is a combine, and if it appears further with regard to that article that the combine is assisted in any way by any tariff duty that may be in existence, the governor in council may wipe out the tariff duty altogether even though the effect might be to destroy the man's business. They took that power and it is perfectly right to have it, and they might not only destroy the business of the individual engaged in the combine, but if they took off the tariff on certain lines of goods they might destroy the business of every other man engaged in the production of those goods and who might be lawfully carrying on his business. And nobody suggested at that time that the business of parliament was being improperly taken from it or that Magna Charta was being violated or that the Bill of Rights was being overthrown or that anything was being done which parliament should not approve because the governor in council was doing it. These things must be done by this parliament if business is to be done in this country. There is no possibility of passing all kinds of bills which have the effect of regulating trade and commerce unless there is provision in those bills for regulation, and provision in those bills for regulations to be made after the bill is passed, and provision for the publication of those regulations and provision for the regulations having the force of law, although not passed by parliament but drawn up by various bodies and approved by the minister or the governor in council and then becoming the law of the land. I do not know what is the reason for all this opposition to a bill of this particular kind. This bill follows the same policy, the same practice and the same rules which have been followed in this parliament for very many years. I know hon. gentlemen opposite are trying to find a soft place into which they can fall on the third reading of the bill. They are spending their time trying to make the people believe that they are putting up a great fight to get a bill which will operate. The other day the hon. member for South Battleford (Mr. Vallance) said that he knew there was an emergency but he wanted to make this bill as good a bill as he could to meet the emergency. That was not what he said when he got up and declared that he was paired and had he voted, he would have voted against there being any bill at all. That is not a vote for the best bill for an emergency, it is a vote against having a bill of any kind. What has changed the minds of hon. gentlemen opposite this last week or two? Possibly the letters they have received from home; or possibly they saw the Ontario Grower with its headline "Magna Charta or forty cent butter fat." This change may be due to the statements in that paper which reported that the right hon. leader of the opposition (Mr. Mackenzie King), in his two hour tirade, said a great deal about liberty, the rights of parliament, and the Magna Charta. I am not quoting his exact words, but that was their meaning. He did not give a single instance of what

might or what might not be done by this parliament to benefit the agriculturist and help the primary producer; they were all forgotten. But during this last week or two, strong opposition to this bill has been put up for the purpose of making the people believe that our hon. friends opposite are curing the defects of the bill and are making it workable. Let us forget all this sort of stuff; let us forget this political stuff and let us take into consideration the fact that the primary producer has not had a show for a great many years. Let us give him a break. Let us put through this bill and see if we cannot get the prices of primary products somewhere into line with the prices of secondary products. If we can reestablish the relationship between the prices of primary and secondary products we shall have gone further to end this depression than we could by doing anything else I know of. Why not get down to business and do this?

Mr. MACKENZIE KING: In order that my hon. friend may not misrepresent what I said or what was in my mind at the time I spoke on the question of matters of judicial or quasi-judicial decisions which are made where ministers are involved, I shall read from page 115 of the report of the royal commission to which I have referred. They make the following specific recommendations with regard to judicial or quasi-judicial decisions such as would have to be made where a scheme was accepted and where all the parties to a scheme may have a voice:

> We, therefore, make the following specific recommendations:—
>
> I. Judicial, as distinct from quasi-judicial, functions should normally be entrusted to the ordinary courts of law, and their assignment by parliament to a minister or ministerial tribunal should be regarded as exceptional and requiring justification in each case.
>
> II. Where parliament considers it necessary to depart from the normal course, it should entrust the judicial functions involved in the legislation to a ministerial tribunal rather than to the minister personally. The appointment of such a tribunal may be left to the minister, but the tribunal should be independent of him in the exercise of their functions. In regard to the more important jurisdictions so set up, the Lord Chancellor should be consulted before appointments are made.
>
> Assignment to a ministerial tribunal rather than to the minister would clearly be right in any case where it appears likely that the minister (in which word we include any officer of the department acting under his orders) would be likely to be precluded from acting as a judge by the kind of departmental "interest" described in paragraph 3.
>
> Judicial functions should not be entrusted to the minister personally unless there is some very special and exceptional reason for that course and even in that event not where there is "interest" of the kind last mentioned.
>
> III. Quasi-judicial decisions fall naturally to ministers themselves and not to courts of law or ministerial tribunals. But in any exceptional case in which it appears probable that a minister may be disqualified by an "interest" of the kind last mentioned from discharging impartially the judicial functions involved in the quasi-judicial decision, parliament should consider the desirability of dividing the decision and entrusting the judicial functions to a ministerial tribunal whose adjudication would be binding on the minister when in his discretion he completes the quasi-judicial decision by administrative action.
>
> IV. Before the decision is given, whether it be judicial or quasi-judicial, each of the parties to a dispute should be given the opportunity of stating his case (not necessarily orally) and also of knowing the case which he has to meet and of answering it if he can.
>
> V. Every minister exercising a judicial or quasi-judicial function and every ministerial tribunal exercising a judicial function should give the decision in the form of a reasoned document.
>
> This document should be available to the parties.

In making this quotation I am anticipating somewhat what is provided for in some of the other sections of this bill, but which very properly come in for consideration at this moment because they have to do with the power of making and determining offences. I am bringing up the matter at once because it relates immediately to giving certain legislative powers to local bodies and then subsequently judicial or quasi-judicial power to the minister and the governor in council. There is no provision made for the protection of the rights of persons who are not of the group of producers responsible for particular schemes. They may have their licences taken away if they do not abide by decisions with respect to regulations made, and there is no opportunity to appeal or even of being heard by way of protest. There is no reasoned argument given as to why one man should be treated in one way and another man in another; the whole matter is left to be dealt with in the arbitrary fashion to which reference already has been frequently made.

Mr. BURY: To what exactly does the right hon. gentleman refer when he speaks of judicial or quasi-judicial powers?

Mr. MACKENZIE KING: I mean the power to license and to subject a man to fine and imprisonment if he does not conform to these regulations.

Mr. BURY: That is not done by the minister or the board; it is done by a court.

Mr. MACKENZIE KING: Long before a court can have any say in the matter, this law gives authority to a local group or to the board or the Minister or their agents to license or take away a licence. You bring a man to ruin when you take away his right to carry on his own occupation, and this is here being done before he is even accorded a right to be heard.

Mr. BURY: I am just dealing with one objection raised by the right hon. gentleman (Mr. Mackenzie King). He states that this bill gives judicial or quasi-judicial powers to the minister, and I am asking where such powers are given. He answers that they are given because fines and penalties can be imposed upon producers for breaches of the regulations, and I am pointing out that those fines and penalties are not imposed by the minister, and that in the imposition of them the minister does not exercise any judicial or quasi-judicial function. The judicial or quasi-judicial functions that are exercised are exercised by a proper court of law in the ordinary ways of legal procedure. If his reference is to the regulations, they are not judicial or quasi-judicial; they are legislative or in the nature of legislation. They are not judicial functions at all. As the right hon. gentleman knows very well, there has been a very clear cut and intentional distinction made between the legislative functions of government and the judicial functions which are entrusted to a separate body which is independent of the legislature. As far as regulations are concerned this whole country is filled with bodies having the power to make regulations over a limited area and to those regulations are attached the sanctions of imprisonment and fines when breaches occur. The whole country is filled with just such bodies as that. One of the right hon. gentleman's great objections to this whole scheme of legislation is the fact that it is giving to local bodies the power to make legislation for the whole country.

Mr. MACKENZIE KING: No, my point was just the opposite, namely that the regulation was not made for the whole country, only for localities.

Mr. BURY: The point raised by the hon. gentleman was that it was quite improper for fines and imprisonment to be attached to breaches of regulations which did not apply to the whole country. As I said a minute ago, this country is filled with bodies to which have been given the statutory power to make regulations. They are made without reference to any minister and there are attached to them as sanctions fines and imprisonment. Notwithstanding the passage which he read from Magna Charta, people are paying fines and going to prison for breaches of laws that were never made by this parliament and could not be made by this parliament, and of regulations, that were not even made by provincial legislatures.

Mr. GRAY: Can the hon. member suggest any act passed by this parliament under which the regulations do not apply as a whole throughout the dominion?

Mr. BURY: I did not say any such thing. I said that the purpose of this legislation was to give the producers or marketers or the producers and marketers in certain localities the right to make regulations that shall govern themselves.

Mr. GRAY: That is what my leader is pointing out.

Mr. BURY: He said more than that. He said that it was a breach of the constitution that, to the breaches of these regulations, there should be attached fine and imprisonment, because there should be no fine or imprisonment attached to any law or regulation that was not universal over the whole of Canada; and I am pointing out the fact that there are statutory bodies all over the dominion which have the power of making regulations or by-laws to which by fines and imprisonment have been attached.

Mr. TURNBULL: With regard to the question raised a moment ago in connection with the Seeds Act, chapter 27 of 1923, I would point out that the regulations made by the minister thereunder are to apply in certain areas only.

Mr. GRAY: But there is a uniform penalty in the area.

Mr. POULIOT: I listened with interest to what my hon. friend from East Edmonton (Mr. Bury) said about the judicial and legislative powers of the board.

Mr. BURY: I did not say that the board had any judicial powers.

Mr. POULIOT: Very well then. My hon. friend said that the board would have legislative powers to be approved by the governor in council. I will not discuss that any further because it is admitted by the hon. gentleman. On the other hand, he assumes that the board has no judicial powers. There are some regulations to be made by the board and they are submitted to the minister for

approval; the minister approves them and they become the law of the land. These regulations are passed and approved with a view to being respected, and who will see that they are respected if it is not the board? The board will have legislative power subject to the approval of the governor in council, and at the same time it will have the judicial power of imposing fines by virtue of these regulations.

Mr. DUPRE: The board does not impose fines.

Mr. BURY: The board has no power to impose fines, but it has the right, which any private citizen has, to lay a charge for the breach of regulations and the fine will be imposed precisely in the same way as it might be imposed following any charge brought for the breach of a city by-law.

Mr. POULIOT: Is there any mention in the bill that the complaints will be laid before district magistrates or justices of the peace? There is no mention of that in the bill as it is mentioned in the criminal code.

Mr. TURNBULL: Yes; the offender can be fined on summary conviction, which brings the offence before a justice of the peace.

Mr. BURY: I would refer the hon. member to section 14 which reads:

> Every person who fails to comply with any order or determination of the board or of a local board or any regulation of the governor in council shall be guilty of an offence—

That is a statutory offence created by the act when it is passed.

> —and punishable on summary conviction with a fine of not less than $25 and not more than $500, or to imprisonment not exceeding three months, or to both fine and imprisonment.

Mr. POULIOT: I thank my hon. friend for his explanation. According to his view, the board has legislative power—

Mr. BURY: No.

Mr. POULIOT: It has no legislative power?

Mr. BURY: The board has the power of suggesting regulations which are submitted ultimately to the governor in council, but they become law only through this act.

Mr. POULIOT: Does my hon. friend find some analogy between the regulations of this board and the regulations for example of a municipal council? It is entirely different and my hon. friend will understand why. The reason is that trade, everything appertaining to trade, comes within the purview of the parliament of Canada. The hon. gentleman knows that the provinces have nothing to do with regard to the regulating of trade; this is a matter that belongs to the Canadian parliament. And there is a very good reason for that. That reason is that all regulations governing trade ought to be uniform throughout the country; they should be the same from one part of Canada to the other. There must therefore be uniformity in these regulations, and that is why trade comes under the exclusive jurisdiction of the federal parliament. If it were under the jurisdiction of the provinces we might have nine different kinds of regulations or orders with regard to trade. It was therefore very wise on the part of the fathers of confederation when they decided that all matters relating to trade should be under the jurisdiction of this parliament. I hope my hon. friend will agree with me on that. I maintain that the government is giving away all the rights of this parliament with regard to trade. It is delegating these rights to outside bodies called boards. These boards, which by the law of the land must be under the jurisdiction of this parliament, will have these powers conferred upon them, and this I submit is absolutely ultra vires. The Minister of Agriculture, the Minister of Justice, the Prime Minister and all the members of the cabinet realize this, and perhaps that is why we find in the last clause the provision that if one or two clauses are found to be ultra vires this shall not affect those provisions that are not ultra vires. This means that after the government submitted the bill to the law officers, they found a nigger in the woodpile; it is feared that some at least if not all the sections of this bill will not stand in the courts of the land. The government, realizing that the provisions of the bill are ultra vires, say, "If we cannot have some of the sections maintained before the courts, then we hope the others will stand on crutches." Sir, this legislation is utterly wrong, because trade comes entirely within the jurisdiction of the parliament of Canada. Parliament is supreme in that regard. The provinces have no right with respect to trade, and when the government says that the federal board will deal with the provincial boards, it is absolutely ultra vires.

It is most dangerous because in this country there are many people who say: We do not care about the British North America Act; we shall attach no importance to it; we must change it. The Prime Minister has said to the house that we should change some sections of it. I have no objection to that provided that when he mentions the changes that are to take place, he at once states what sections he wishes to change. Otherwise people will entertain the view that the whole act must be changed; that one must pay no

attention or respect to it and it must be completely disregarded. I maintain that whenever the leader of the government or any member submits to the house a proposal of any kind to the effect that there must be a change in the British North America Act he must immediately plainly mention what changes should be made and why. I stand by the law of the land as it is now. If a change is to be made it should be made first and then legislation which cannot be passed now because it would be illegal and ultra vires, might be passed if the British North America Act, our constitution, is so amended that such legislation can be passed. That is a very humble view, but it is sincere. In these times of stress and unrest, when people disregard the law, we in this house have no reason to give them any opportunity to entertain such opinions and to preach such errors, because I maintain that this is an error. The government knows this bill is wrong from a constitutional point of view, and if we on this side stand by the constitution it is because we stand by the law of the land and we want what is now our obligation, what is now the law of the country, to be respected. We want no change to be made to any law which is framed in accordance with the British North America Act until the latter act is amended so as to provide for such a change. This is very clear.

When my right hon. leader spoke about the rights of parliament I am sure that the idea he desired to convey was that in this country with regard to trade we must have only one law from the Atlantic to the Pacific, from the United States border to the north, in order that all the people who have anything to do with trade may know what the law is, and that when a man from Nova Scotia wants to trade with another in British Columbia he will know the law in that province is the same as in Nova Scotia and they can trade on equal terms. But if we have barriers created in this country by boards of different kinds so as to prevent internal trade, then we shall suffer more than we do now. That is why I maintain that this legislation is wrong; and I am sure every member of the cabinet knows that, the Minister of Justice and the Prime Minister more than anyone else. Why do we have to argue so long about the matter? Our stand is right; we stand by the constitution of Canada for the reasons already given. How long will this legislation last? It will last maybe two months, three months, until it is brought before the courts of the country and then it will be declared to be ultra vires. If the government appeals from such judgment to the privy council I am sure the men who sit there and the men who sit on any bench in Canada, as soon as they read these sections which are so broadly drafted, will say: This will not stand for a minute before us; this law is ultra vires. I do not want to anticipate the judgment of the courts, but my view is supported by the fact that the last paragraph of the amendments reads thus:

> 22. If it be found that parliament has exceeded its powers in the enactment of one or more of the provisions of this act, none of the other or remaining provisions of the act shall therefore be held to be inoperative or ultra vires, but the latter provisions shall stand as if they had been originally enacted as separate and independent enactments and as the only provisions of the act; the intention of parliament being to give independent effect to the extent of its powers to every enactment and provision in this act contained.

That is what I have said, and the ministry realize it themselves because they are inserting this amendment in the bill. Before they spend money to engage counsel before the courts we as one, from this side, tell them that they are wrong and must change the legislation entirely; that it will be inoperative because illegal.

Mr. NEILL: My modest amendment has rather been lost sight of in the wider range the debate has taken. We might as well return to it. The minister has not expressed his approval of it and I imagine in that case he will use his majority to vote it down. That of course is quite in order, but I am sure he is too courteous to do so without giving his reasons for not favourably considering the arguments I have advanced. We have the precedent of Great Britain persistently and definitely laid down that a poll shall be taken in all these matters. We have the precedent of New Zealand which says the same thing in very clear, drastic and pronounced language. Those, so far as I know, are the only two British countries to which we can look for a precedent in that regard and we might well do so. When I was speaking an hour ago I quoted a gentleman from British Columbia representing the fruit industry who had expressed himself as in favour of a poll being taken. Since then I have found a letter from another gentleman connected with the dairy industry in the Fraser valley, and this is what he says:

> The British act provides for the setting up of marketing schemes either by the producers or by the government itself. Either scheme must be submitted to a vote of those affected.

So it is quite evident that people in British Columbia representing the fruit and dairy in-

dustries, while not actually asking for a poll, are quite agreeable that a poll be taken of those interested in the scheme. Since then I have had some surprising evidence put into my hands. Many members especially those from British Columbia, well know that some years ago we experimented with an act of this kind under provincial legislation; it was passed on March 20, 1929, and by the way, under the auspices of a Conservative government.

Before I proceed with the question of polling, I find in this provincial act a matter that I would like to call to the attention of the leader of the opposition. I have had time to give it only a cursory inspection but in it is laid down the exact extent and limit of every power of the board. This would meet a number of the objections of the leader of the opposition.

Mr. STEWART (Leeds): What is the title of the act?

Mr. NEILL: The Dairy Products Sale Adjustment Act. It is an act for the relief of dairy farmers. It worked well but it fell down because of being declared ultra vires on account of conflicting dominion jurisdiction. So that they did not give legislative or quasi-judicial powers to any of these boards; they could not go beyond the four corners of the act. Then they absolutely arrange for a poll. The poll is not exactly along the lines of the British requirement, but it does require sixty-six per cent of the persons interested. Very definitely and decidedly it requires a poll. So there you have Great Britain and New Zealand, the only two countries who have passed this legislation, though in a much simpler and more limited form, and British Columbia with their legislation, with which they were perfectly satisfied and which worked well, all arranging for a poll. I think the minister should in justice to himself and this committee tell us why he will not accept the amendment.

The CHAIRMAN (Mr. Smith, Cumberland): Is the committee ready for the question?

Mr. NEILL: No, Mr. Chairman, we will stay here until summer if necessary. Surely the minister is not going to be so discourteous as not to reply to that question. Is there anything unreasonable in my request?

Mr. DUPRE: We are now on the amendment to the amendment whereby the hon. member for Comox-Alberni (Mr. Neill) wants to replace the two words "or may" by the two words "but shall."

The CHAIRMAN (Mr. Smith, Cumberland): Shall the subamendment carry?

Mr. NEILL: No, Mr. Chairman; wait a minute.

Mr. WEIR (Melfort): I may say for the benefit of the committee that we have given a great deal of thought to this matter, and in our study in connection with the drafting of this bill have traversed the points that have been raised this afternoon. To compare this bill with that of Great Britain or New Zealand is not fair. The position here is different. The factor of the various provincial jurisdictions has created perhaps the most difficult problem.

Mr. NEILL: It is like British Columbia.

Mr. WEIR (Melfort): The hon. member refers to British Columbia. If the primary producers in British Columbia wish to submit a scheme in conformity with the provisions or conditions laid down in the Dairy Act of British Columbia—I believe that that is what he refers to—they are at perfect liberty to do it. But if in the province of Quebec the producers in dealing with their particular industry wish to take another course, and that course is approved by the provincial government, I do not see that we should set up a barrier here that might make it more difficult for the government of any province to give effect to the wishes of the primary producers in that province. We have gone over this matter very carefully. Again may I repeat that the aim has been to make this bill as flexible as possible so that the provinces and the producers therein may be free to use their own judgment to work out whatever scheme they feel is in the best interests of the producers, and that we shall be free to cooperate with that board. This bill makes a poll optional. I do not feel myself that it was necessary. I feel that under the scheme they submit they can provide for a poll or not as they wish.

Mr. McINTOSH: Under the section as we have it now it remains with the minister to say whether or not a poll shall be taken, does it not? It is not left to the producers to decide. I asked this question last week and if I remember correctly the minister made the statement that he would not object but would leave it to the producers. He left the impression with the committee that the producers were against the poll. I argued that the producers are in favour of a poll. If the producers want a poll will he refuse it?

Mr. WEIR (Melfort): I regret if I gave the hon. member the impression that I felt they were not in favour of a poll. I feel that the bill as prepared, even without this amendment, left the producers free under the scheme submitted to state whether they wish the poll or not.

Mr. NEILL: May I interrupt to ask how it can be ascertained whether the producers want a poll or not unless they are given a poll?

The CHAIRMAN (Mr. Smith, Cumberland): All in favour of the subamendment will say "aye."

Some hon. MEMBERS: Aye.

The CHAIRMAN (Mr. Smith, Cumberland): Contrary will say "no."

Some hon. MEMBERS: No.

The CHAIRMAN (Mr. Smith, Cumberland): The subamendment is lost.

Mr. NEILL: The ayes have it.

Mr. HEAPS: Before the amendment is carried: earlier in the afternoon I asked who would be entitled to vote if a vote were decided upon. I recognize the difficulty of the situation that may arise when a certain group or industry wishes to come under the provisions of the act. There is nothing in the bill to define who is entitled to vote when a vote is decided upon. In the fourth line of the amendment it says: "or may require that a poll be taken." Taken by whom, of whom? There can be so many different kinds of polls and so many methods of having a vote that I think parliament has a right to know the method the minister has in mind when he decides that a vote is to be taken. For instance, it may be only the producers in the industry that will be in favour of a vote. As a concrete example take, the tobacco growers: supposing they petition the government to come under some scheme, who among the tobacco growers will vote? I cannot imagine that anyone outside those interested in the industry will be entitled to vote. I believe that under the bill now before us we are setting up a form of economic councils within industries. When the tobacco industry is being considered I do not expect the apple growers to vote. Therefore in spite of the objections that have been taken I still feel that it is proper that a particular economic group shall have the say as to the form of organization and the future course that the industry shall take.

Then will the vote be limited to Canadian citizens? In an industry you may have half a dozen different nationalities. We have no indication from the government as to that. Will companies be entitled to vote, or will it be determined, for instance, by quantity of production? In a given industry in which 500 people may be engaged, perhaps ten out of the 500 may have more than 50 per cent of the production; will those ten have more say than the rest? I think these points ought to be clarified, otherwise I would prefer to see the clause stand until something is put in to determine who shall have the right to vote when a vote is decided upon.

Mr. WEIR (Melfort): In the beginning of his remarks the hon. member touched upon the difficulty when he said that these schemes will have to be set up under so many different conditions. The basis of the whole bill as far as these schemes are concerned is to give the producers themselves the fullest possible opportunity to set out what they think is in their best interests. They will be able to suggest the best and simplest way of taking a poll, also who will be entitled to vote, and who will be exempt. In a scheme for the dairy industry, for example, a man with only one or two cows might be exempt from its operation. I have every sympathy with hon. members in the difficulties they see here, because as I said we have experienced the same difficulties, and it is to meet these conditions that we have left the bill as flexible and open as possible.

Mr. HEAPS: I realize that in a country so vast as Canada and with so many different conditions appertaining, a certain amount of flexibility is essential in a bill of this nature, but I think we are stretching the point a little too far when we say we cannot determine here and now who will be entitled to vote and who shall come under the scheme.

Mr. LOUCKS: The producers themselves.

Mr. HEAPS: You cannot have the producers in each locality determine to what extent they are going to come under the scheme; that would be almost impossible. The regulations should be set up by parliament as a guiding principle; they should be defined here by the minister so that we may know how the thing will start. If there is no guiding principle as to how an industry shall come under the act I can see more difficulties being created for the department that administers the act than would arise if the act was changed. So I think it would be advisable to lay down in the bill certain guiding principles stating who shall be entitled to vote and so on.

Mr. NEILL: I would suggest that we change the word "scheme" to "sub-legislature," because these people are going to be given power to make all the laws they like.

Mr. SPEAKMAN: There is just one point which has not been mentioned in regard to the amendment proposed by the minister. As the minister has said, it will be largely left to the producers themselves in their submitted schemes to say whether or not a vote shall be taken and how that vote shall be carried out. This goes a little further, however; upon receipt of a report from the board recommending the approval of a scheme as constituted or amended by the board, the minister may recommend approval thereof; or in lieu of recommending approval, if he is not satisfied that those applying are representative of the industry, for example, or if the scheme does not suggest a vote, the minister may provide that a vote shall be taken. Then it is no longer a matter of the producers having said whether or not a vote shall be taken; if the minister is not satisfied that those who present the scheme are truly representative he, not the board or the producers, may state that a vote shall be taken, and he may lay down the conditions under which that vote shall be taken.

It seems to me that this clause providing for a vote is supplementary to the presentation of the scheme, so as to provide that if the scheme does not ask for a vote the minister may have a vote taken to satisfy himself that the applicants are representative of the commodity produced. In that case it might be well if some conditions were laid down as to the number of voters required, the percentage needed and so on.

Mr. ELLIOTT: I should like to say just a word with regard to who should vote. The question whether or not that is supplementary does not help at all to solve the question who should vote if there is to be a vote.

Mr McINTOSH: We may not have a vote.

Mr. ELLIOTT: No, there might not be a vote, but the answer given by the hon. member who has just taken his seat (Mr. Speakman) that this is supplementary, apparently, to his mind, seemed to do away with the necessity for defining who should vote. I want to submit to the minister that surely he and his staff, the government and this house, can decide better than a number of growers in a district as to who should vote, and I think that should be done before this bill goes through. That is my submission. It may be that we are facing great difficulties, but surely it is easier for us to solve those difficulties than it is for the people in the locality to do so when they are confronted with all the difficulties and differences that may and I think are bound to arise in an attempt to work out a scheme such as this.

I just want to refer the minister to the fact that in other cases of local control we have votes. For instance, in regard to whether or not a drainage scheme shall be installed in a certain locality, a vote is taken. The legislature that gave the authority to take that vote says who shall vote. If a local assessment such as a sidewalk is to be constructed, surely no legislature would think of omitting to define who shall vote on the question of whether or not that local improvement shall be proceeded with. I think that is absolutely a parallel case. Then take the matter of building restrictions; the local legislature defines who shall vote on a question of that kind, and the same thing applies to the way the affairs of a school section are run. Do you suppose any legislature in the land ever left it open to the people who came to the meeting to decide who should or should not be the electors? There can be no question about it; if you propose to have a vote at all you must define who are to be allowed to vote. You are simply creating uncertainty and difficulty otherwise, and increasing the opportunities for friction. It may take a little time and labour, but surely this is the tribunal to decide that matter, and I think it should be decided before this bill is passed.

Mr. HEAPS: I have supported this bill all the way through and intend to vote for the third reading, but I do want to see a workable bill presented by this parliament to the people of Canada. I feel that if we adopt this clause as it reads now we will simply shelve the responsibility and put it upon some local community.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

The CHAIRMAN (Mr. Stirling): We are on section 5, subsection 3.

Mr. HEAPS: Just prior to the adjournment we were discussing the question who would be entitled to vote in the creation of these boards for those who wish to come under the scheme. So far the minister has not been able to give to the committee very much information on that point. I regard the administration of the act as of the utmost importance. I desire to see that this measure once it is adopted by

parliament shall become really effective and be of value and benefit to those whom it is intended to serve. But if the provisions respecting the administration of the act are too loosely drawn up; if the law is not placed on a proper basis, I have grave fears as to the outcome of the legislation itself. I regard the administration of the act as almost of more importance than the act itself, because the benefits the producers may derive from it depend entirely upon how the act is administered. One of the important features of the act is the creation of these boards, and naturally some importance must be attached to the question who is entitled to vote on these schemes that are to be proposed to the central authorities.

I can understand the position of the minister when he says that a certain amount of flexibility is required in the drawing up of this measure on account of its experimental nature, but undoubtedly the minister has given considerable time and study to how the act is likely to be administered and the way in which the boards are to be created, and he has not yet given the committee the benefit of his continuous research into the provisions of this measure.

Just prior to six o'clock I pointed out how many different angles there are to the question of who is entitled to vote. There is no definition in the bill itself of what constitutes a poll; at least I have not been able to discover it. Perhaps it may be done by a show of hands, perhaps by secret ballot, perhaps by mail or some other means. Up to now we have had no information from the minister as to what he regards a proper definition of the term poll.

If this clause is to operate on the basis of the method suggested by the minister it is quite possible that a meeting will be called. How that meeting is to be called I cannot say; who will be authorized to call a meeting I do not know. Let us assume for a moment that a meeting is called in a schoolhouse in some agricultural community and that seventy-five or a hundred people attend the meeting. You might well have seventy-five different opinions as to who is entitled to vote on the scheme. Somewhere a guiding principle should be laid down so that the people who come to the meeting will know for what purpose it is called; otherwise you might have a large number of men and women attending the meeting and desiring to come under the act, and then, after considerable discussion and deliberation, going away without anything definite being done. I think there should be something definite in the act in regard to those who are entitled to vote and the methods of holding a poll in certain given districts. It would improve the act considerably and would allow those whom the act is intended to benefit to meet with some knowledge beforehand of what they intend to discuss.

Mr. WEIR (Melfort): In that respect this act is the same as the British act, and evidently to a certain extent for the same reason. The hon. member asks why we do not state in the bill who shall vote and who shall not. It is the producers who submit a scheme after giving it careful consideration who are in the best position to recommend who shall be exempted from the scheme, and those who are exempt would not necessarily have a vote. Outside of that, every producer within the area defined would have a vote. What the hon. member is asking us to do is this: He wants us to decide in this committee who shall be exempt from the operation of a scheme proposed, let us say, by the tobacco growers of Ontario, or in connection with the dairy industry; whether a man should be exempt if he had two milk cows, or three or four; and the same thing in connection with the lumbering industry. It might also apply to the fish industry. I am sure the hon. member is sufficient of a business man to realize that it is impossible for us to take up the time of the house in this committee in an attempt to do that. This matter has been given very careful consideration and I think it will appeal to the good judgment and common sense of everyone that it would be impossible for us in this committee to go into all these matters in detail. The British act, realizing the same difficulty, deals with the matter in a similar way. The scheme submitted might deal just with export or interprovincial trade.

If it will be of any assistance to the hon. member I would say that in my judgment when the producers submit their scheme they will state in it who are to be exempt and the conditions upon which producers will be exempt. Then after full consideration they ask for a poll, and if the majority vote is in favour of the scheme, the whole scheme will be published and everything in connection with it will be known. So that the difficulty my hon. friend feels might arise in a meeting in a schoolhouse would be avoided because what they were coming to discuss would be known to everyone attending.

Mr. HEAPS: What would the minister call a majority?

Mr. WEIR (Melfort): As I stated before, my opinion is not worth any more than my hon. friend's at the present time. That is

[Mr. Heaps.]

a matter that would be submitted to the governor in council and it would depend to a certain extent upon circumstances. But I would say this, that the more substantial the majority, depending upon the conditions that are to be met, the more likely the scheme would be to proceed without difficulty. What I have had in my mind since starting work on this bill is that there should be at least seventy-five per cent of the producers and controlling seventy-five per cent of the production. As a matter of fact we have had representations by certain producers advocating eighty per cent, and they feel they would have no difficulty in getting eighty per cent to sign in favour of a certain scheme. That is one of the reasons why I decided to drop the question of percentages. If we stated sixty-six and two-thirds per cent as a minimum there would be a tendency on the part of producers who submitted schemes to say: "Why try to get any more because this is the minimum you set?" If we set the limit from sixty-six and two-thirds per cent to eighty-five per cent, those who did not want to enter the scheme would say: "Why did you set eighty-five per cent if you did not mean it?" That would make it possible for the fifteen per cent to defeat the purpose of a scheme. After full consideration of this matter my own opinion is that there would be no danger in leaving this clause as it is. We are not committed to accepting what they recommend, but in each case—the conditions are different—we will have the benefit of their judgment. As I stated before, I feel it is better to leave it open and deal with each case on its own merits.

Mr. HEAPS: Would every producer in a locality have to come in on a scheme?

Mr. WEIR (Melfort): He would have to come in.

Mr. YOUNG: He would have no option.

Mr. WEIR (Melfort): Under this arrangement.

Mr. STEWART (Edmonton): If a geographical area is laid out and seventy-five per cent of the residents engaged in production in that area sign or vote for the setting up of a scheme, then the other twenty-five per cent would be forced to come in and would be subject to all the provisions. Am I right in that deduction?

Mr. WEIR (Melfort): Yes, if the scheme is approved.

Mr. STEWART (Edmonton): That is a beautiful scheme. I just want to see you put it into effect once.

Amendment agreed to.

On subsection 4—Conditions.

Mr. YOUNG: Will this mean that a scheme will not operate where the whole product is sold within a province?

Mr. WEIR (Melfort): Subject to provincial legislation.

Mr. REID: That would not interfere with a natural product which was being marketed fifty per cent within a province and fifty per cent without a province?

Mr. WEIR (Melfort): No.

Subsection agreed to.

On subsection 5—Particulars.

Mr. DUPRE: I move that the words "as approved" in the first line of this subsection be struck out.

Amendment agreed to.

Paragraph (a) agreed to.

On paragraph (b).

Mr. DUPRE: I move that this paragraph be struck out and the following substituted therefor:

(b) the proposed scheme in sufficient detail, including arrangements for a poll, if one is proposed, and for organization and administration under the supervision of the board to enable consideration of the expediency thereof.

Mr. YOUNG: Explain.

Mr. DUPRE: It is in the printed amendments.

Mr. WEIR (Melfort): This is to conform with an amendment to a preceding subsection.

Mr. YOUNG: Who is proposing the poll, those who are going forward with the scheme?

Mr. WEIR (Melfort): Yes.

Mr. YOUNG: They will decide whether there is to be a poll held.

Mr. WEIR (Melfort): They may propose it but they will not decide it.

Mr. YOUNG: If they propose a poll they will also outline who is to vote in the poll?

Mr. WEIR (Melfort): That will be submitted in the scheme.

Mr. YOUNG: The scheme will outline who is to have a vote and who is and is not to be brought under the scheme; is that correct?

Mr. McINTOSH: Who will decide finally whether the producers are to have a vote?

Mr. WEIR (Melfort): The governor in council.

Mr. STEWART (Edmonton): I do not like this; I think it is ridiculous. If you are going to force twenty-five per cent of any population to come in under a scheme proposed by seventy-five per cent, then for heaven's sake have a poll. I propose that you strike out the words "if one is proposed" in the second line of the amendment. There would then be a poll, whether or not the minister decides to have one. Surely minorities are entitled to some protection, and I am sure they will need protection if this thing goes into effect.

Mr. YOUNG: I cannot see the use in having a poll if those who want a scheme are going to decide who is to vote. They would certainly disfranchise those whom they did not want in.

Mr. McINTOSH: My impression is that if it were decided definitely that the producers must have a poll, the danger of having a minority would be minimized. There would be a possibility that the producers would all come in. If you are going to eliminate a poll or have the governor in council say whether or not there is to be one, you will be bound to have minorities and you will be bound to have trouble.

Mr. YOUNG: I should like to know what the minister thinks of the idea of letting those who want a scheme decide who shall or shall not be allowed to vote.

Mr. WEIR (Melfort): Because of the disturbance I could not hear everything the hon. member said. The producers will submit a scheme with reference to a poll, and this scheme may or may not be approved. If they wish a poll, they will set out in the scheme how that poll shall be conducted.

Mr. YOUNG: It seems to me under this bill the producers could submit a scheme and decide that if a poll were taken those engaged in marketing could not vote. On the other hand, those engaged in marketing could submit a scheme and provide that if a poll were taken, the producers could not vote.

Mr. WEIR (Melfort): There is no compulsion to accept any scheme that is proposed.

Mr. YOUNG: There is no compulsion to reject it.

[Mr. Young.]

Mr. TOTZKE: Would the minority of producers opposed to a scheme be entitled to a vote?

Mr. WEIR (Melfort): I do not think there would be any necessity for that, because no scheme would be put into effect if there was any doubt about the majority wishing it.

Mr. NEILL: How do you find out?

Mr. WEIR (Melfort): Each case would be dealt with on its merits. For example, if a scheme were made known and the signatories were of such a number as to leave practically no doubt that it was unanimous, there would be no necessity for a poll.

Subamendment negatived.

Mr. McINTOSH: May I say this in conclusion—I have said it on more than one occasion, but it is so important that I will repeat it. The producers are in favour of a poll; there is no question at all about that. Now, if it is undisputed that they are in favour of a poll, then it follows that there must be opposition from the department or on the part of the governor in council, and I wish to know just why such opposition has been pressed to the point where a poll is refused. For instance, the producers made it perfectly clear to the minister himself, I understand, that they wanted a board voted into existence by the growers. In face of that declaration why are they not to be allowed to vote the board into effect?

Mr. WEIR (Melfort): More than one opinion has been expressed and no one is in a position to say what the general view of all the producers is with regard to all the different commodities. If the submission were made in the scheme that there should be a poll, there is no doubt about it that the poll would be granted.

Mr. McINTOSH: In other words, the minister's argument is that he is not sure whether they want the poll or not.

Mr. WEIR (Melfort): It might not be necessary to go to the expense of having a poll if we could satisfy ourselves that one was not necessary.

Mr. BEAUBIEN: The minister can approve of the scheme without asking for a poll—under this legislation.

Paragraph as amended agreed to.

Paragraph (c) agreed to.

On paragraph (d).

Mr. VALLANCE: This paragraph has to do with the geographical limits. Who is to define those limits?

Mr. WEIR (Melfort): The producers in submitting a scheme will define the limits, as in the British act.

Mr. VALLANCE: Suppose the wheat growers of Saskatchewan ask for a poll to set up a board. Can they go beyond the confines of that province and include Alberta and Manitoba?

Mr. WEIR (Melfort): I understand the question to be this—that if a sufficient number of wheat producers submitted a scheme and wished to do so, they might include in the area both Alberta and Manitoba. That would be submitted to the provincial governments because they are the only ones, I understand, who have authority over property and civil rights.

Mr. VALLANCE: So that they could not go beyond the confines of the province.

Mr. BEAUBIEN: The other day the Minister of Justice made the opposite statement. He said that anything that was interprovincial or international came under the jurisdiction of the federal authority.

Mr. WEIR (Melfort): Moving between provinces after the local board is set up.

Mr. BEAUBIEN: Take the supposition put forward by the hon. member for South Battleford. Suppose Saskatchewan decided to submit a wheat scheme; could that scheme take in Manitoba and Alberta? Could they do it without the authority of the other two provinces?

Mr. WEIR (Melfort): The scheme to be submitted only by the Saskatchewan wheat growers?

Mr. BEAUBIEN: Yes. Could they under this act force the wheat growers of Manitoba and Alberta to come under it?

Mr. WEIR (Melfort): I would say not.

Mr. BEAUBIEN: The Minister of Justice the other day said that if the marketing of the commodity were interprovincial or international it came solely under the jurisdiction of the federal authority. Could the growers of Saskatchewan come here, in the absence of any legislation by the other provinces, and force them into the scheme?

Mr. WEIR (Melfort): Not into a scheme for Saskatchewan.

Mr. YOUNG: Suppose Saskatchewan came forward with a scheme for all Canada. Suppose some farmer in that province devised a scheme and brought it here to take in the marketing of wheat all over Canada.

Mr. WEIR (Melfort): A petition like that would not be entertained.

Mr. BROWN: A day or two ago I asked the minister whether under this bill it would be possible for a group to define a certain area around a city like Winnipeg, say, in the marketing of milk, and exclude all others from that territory. The minister answered no. Now this paragraph declares that if the scheme is to relate only to the product of a part of Canada, the geographical limits shall be defined. That would make it perfectly possible for those dealing in milk in a territory around a city—what has been called a milk shed—to exclude all others from that market.

Mr. WEIR (Melfort): There is no provision for those outside the area in which the scheme has been proposed to be shut out of the market in Toronto or Montreal, for instance. If a scheme is submitted and the geographical limits are defined, the people within that area must have combined to regulate the marketing of their products; but there is nothing in this act to give them power to prevent anyone outside that limit from marketing his product in the same market.

Mr. BEAUBIEN: Can the geographical limits go beyond the boundaries of any one province?

Mr. WEIR (Melfort): A subsequent subsection deals with that point. If in Ontario an apple board were set up, and in Nova Scotia and Quebec similar boards were set up, the three might for further organization submit a scheme whereby the area could be extended to include the three provinces in one.

Mr. YOUNG: Then every scheme must in the first instance be confined to the province in which it originates.

Mr. WEIR (Melfort): No.

Mr. YOUNG: What then? The minister said a minute ago that if different schemes originated and were put into effect in different provinces, they could be amalgamated later.

Mr. WEIR (Melfort): Yes.

Mr. YOUNG: If that is so, then Saskatchewan would have to work out a wheat marketing scheme, Manitoba would work out another and Alberta another and then they could combine later. Is that the idea?

Mr. WEIR (Melfort): In practice I would say that what would happen would be this: instead of each of the three provinces working out a scheme, they would combine and submit the one scheme which would be uniform.

Mr. YOUNG: Would that apply to the whole dominion?

Mr. WEIR (Melfort): Not necessarily.

Mr. MITCHELL: If you had three distinct organizations in different provinces, how would they market, let us say wheat? Would they market as individual organizations, independent units, or through the dominion board?

Mr. WEIR (Melfort): Even if they marketed as independent organizations they would all be under the supervision of the dominion board, and in such a case I would say that the three would find it to their interest to combine; in fact, their interest would suggest that.

Mr. MACKENZIE (Vancouver): The scheme in each case would originate within the provincial jurisdiction. There might be three provincial organizations marketing the same product. They would apply to the board for authority to amalgamate the three bodies for the marketing of that product. Is that correct?

Mr. WEIR (Melfort): Correct.

Paragraph agreed to.

Paragraphs (e) to (g) inclusive agreed to.

On paragraph (h):

Mr. YOUNG: This paragraph states that the scheme shall name the chief executive officers. Does that mean that they are to appoint the men who are to do the work?

Mr. WEIR (Melfort): That is the position.

Mr. YOUNG: It is some position. I would like to have one.

Mr. BROWN: The officers are to be nominated and elected before the scheme is approved by the governor in council?

Mr. WEIR (Melfort): No; the scheme is to state whether there is to be a chairman, or what the position is under it.

Mr. YOUNG: The words are that the scheme shall name the chief executive officers.

Mr. MITCHELL: Is it the idea that appointments to the dominion board shall be political appointments?

[Mr. Young.]

Mr. WEIR (Melfort): I appreciate the hon. member's asking the question. I think he fully realizes that because the matter is put into the hands of the producers themselves, they should be more interested in their product than in any political appointment.

Mr. MITCHELL: I understand as to the local board, but I was speaking of the dominion board.

Mr. WEIR (Melfort): In the naming of the dominion board it is needless to say that entire consideration would be given to those best fitted to serve the interest of the primary producers.

Mr. BROWN: Under the civil service commission.

Paragraph agreed to.

Paragraph (i) agreed to.

Section as amended agreed to.

On section 6, subsection 1—Notice of approval of scheme.

Mr. NEILL: I suggest that the word "forthwith" be inserted. I have known these matters to be kept back for six weeks and they ought not to be. I will not press this to a vote. If the minister cannot see the appropriateness of it, I have nothing more to say. Surely it is wise that notice of approval should be made public forthwith.

Mr. WEIR (Melfort): The purpose of the bill is to introduce these schemes and to facilitate in every way the wishes of the producers who submit them. I do not see the necessity of the word "forthwith" because the whole purpose is to expedite putting the scheme before the people who are to vote on it.

Mr. NEILL: The people who are to vote on it?

Mr. WEIR (Melfort): I mean the people who are interested in it.

Mr. NEILL: Some of the people who are interested in a product will get up a scheme and apply to the governor in council for approval. There is no vote taken. It is a hole-in-corner process from beginning to end. Then notice of approval is to be put into the Canada Gazette and the minister objects that it be put in immediately.

Mr. WEIR (Melfort): I see no objection to putting in the word.

Mr. NEILL: Then I will move that the clause read:

The minister shall give public notice forthwith—

Mr. GUTHRIE: Shall forthwith give public notice.

Mr. NEILL: I want the notice put into the gazette forthwith. I move that the word "forthwith" be inserted after the word "shall" in subclause 1 of clause 6.

Amendment negatived.

Subsection 1 agreed to.

On subsection 2—Scheme to have force of law.

Mr. ELLIOTT: Why is the main marketing board "a body corporate" and the local board "a body politic and corporate"? What is the distinction ?

Mr. GUTHRIE: I do not know that there is much distinction in the meaning.

Mr. ELLIOTT: Why should they not be made the same?

Mr. GUTHRIE: There is no reason why they should not. What is the other clause that declares the dominion board a body corporate?

Mr. ELLIOTT: Section 3, subsection 6, describing the board—which is the main board, the dominion board—provides that:

The board shall be a body corporate and shall have power for the purposes of this act to acquire, hold and dispose of real and personal property.

Mr. GUTHRIE: I suggest that we strike out the words "politic and" in section 6.

Mr. ELLIOTT: That is my suggestion.

Mr. DUPRE: To make it clearer I move:

That the words "politic and" in the last line of subsection 2 of section 6 be struck out.

Amendment agreed to.

Mr. MACKENZIE KING: What is the object of making them a body corporate?

Mr. GUTHRIE: In order that they may have legal entity as a corporation and the usual corporate rights.

Mr. MACKENZIE KING: Does that include the right of making by-laws and enforcing them by penalties?

Mr. GUTHRIE: I would say it does unless it is restricted.

Mr. MACKENZIE KING: In other words what we are doing with the producer is to make him subject first to the laws of this parliament; second, to laws passed by the governor in council; third, to regulations and laws passed by the central board; fourth, to the regulations of the local boards, which are to be laws, and in addition to all that he is still further to be subject to the by-laws which this body corporate is going to pass. He is going to be very free!

Mr. GUTHRIE: The local boards will be able to pass regulations, but subject ultimately to the approval of the governor in council.

Mr. MACKENZIE KING: It will be interesting to the producer to discover where he is going to be in advance in regard to his knowledge of the law and his rights under it.

Mr. STEWART (Edmonton): A man who refuses to go into this scheme will be in a very happy position, subject to all the laws of the seventy-five per cent and liable to be sent to gaol if he infringes them, although he is opposed to the whole business.

Mr. GUTHRIE: Well, that is the principle of the measure.

Subsection as amended agreed to.

On section 7, subsection 1.—Board to continue to have authority.

Mr. DUPRE: I move:

That subsection (1) of section 7 be struck out and the following substituted therefor:—

Every local board established hereunder shall continue to have authority to exercise its powers for a period of two years and for such further time as the governor in council may authorize.

Mr. ELLIOTT: Before that is passed may I call attention to subsection 5 of section 4.

Whenever a local board has been authorized to exercise any of the powers of the board, the board may authorize such local board to act as its agent to collect the charges or tolls imposed;

Then:

Every local board established hereunder shall continue to have authority to exercise its powers until such time as the governor in council withdraws such authority.

In a former part of the act it is provided that they shall have power to exercise their authority until the governor in council cancels it. There is a conflict between the two.

Mr. GUTHRIE: This is only providing a limitation of two years. Previously there was no limitation.

Mr. YOUNG: It says a minimum of two years.

Mr. DUPRE: Yes, and for such further time as the governor in council may authorize.

Mr. YOUNG: Suppose it falls down on the job and does not function the second year; what is going to happen then?

Mr. DUPRE: It disappears. When it is gone it is gone.

Mr. STEWART (Edmonton): They stay in the scheme.

Mr. MICHAUD: Speaking of this suggested amendment, do I understand that a local board may be the provincial marketing board, constituted under provincial authority?

Mr. WEIR (Melfort): Not necessarily. It might be so constituted and named as a local board.

Mr. MICHAUD: Suppose such a board, constituted under the provincial authority, is named by the governor in council as a local board I understand that such authority continues for at least two years. But if they are dismissed, or their powers are revoked by the provincial authority, what will happen then? Will they continue to function as a local board recognized by the dominion authority, although at the same time they have no standing under the local marketing act?

Mr. WEIR (Melfort): I would say no.

Mr. YOUNG: That is not what the act says.

Mr. MACKENZIE (Vancouver): That is an important point. Is there any provision in the bill for such a contingency? Suppose the provincial marketing board's authority is repealed by the local house, how does the federal authority propose to meet that situation?

Mr. WEIR (Melfort): We have no power.

Mr. YOUNG: You will wait until the two years are up?

Mr. GUTHRIE: If it disappears it disappears.

Mr. MACKENZIE (Vancouver): It remains in suspended animation.

Mr. YOUNG: Meantime what will happen to the crop?

Mr. STEWART (Edmonton): This is rather remarkable in view of the fact that you do not require a poll before setting up a scheme, but before it can be revoked you have to have a poll.

Mr. WEIR (Melfort): Only if there is a poll when it is set up.

Mr. STEWART (Edmonton): As you have it in the amendment a poll is compulsory befort revocation can take place.

Mr. WEIR (Melfort): Only when it is created under a poll.

[Mr. Young.]

Mr. GRAY: I suggest that the point raised by the hon. member for Restigouche-Madawaska (Mr. Michaud) and the hon. member for Vancouver Centre (Mr. Mackenzie) is one of the most vital points raised to-night. I think the amendment proposed by the Solicitor General (Mr. Dupré) should be seriously considered before the committee passes it.

Mr. WEIR (Melfort): The purpose of the amendment was to give stability, and because it was felt that a board, especially one set up after a poll, would require two years' operation—or at any rate it would be an advantage for it to have two years—to become stable. If hon. members feel that the amendment does not add anything or is not essential, it will not be pressed.

The CHAIRMAN (Mr. Stirling): Shall the amendment to subsection 1 carry?

Mr. GUTHRIE: Unless there is some very good reason for the amendment personally I would prefer the clause as originally drawn. I think we may be involved in difficulties hereafter if we are not careful. I prefer subsection 1 of section 7 as originally drawn, unless there is some very good reason of which I have no knowledge for changing it.

Mr. MACKENZIE (Vancouver): The amendment to the amendment submitted now is wholly inoperative.

Mr. DUPRE: It may be preferable to withdraw the amendment; I withdraw it.

Amendment withdrawn.

Mr. ELLIOTT: While this is still under consideration may I direct the attention of the minister to the fact that under subsection 1 of section 7 every local board established continues to have authority to exercise its powers until such authority is withdrawn by the governor in council. Apparently that is a positive statement. The board continues to operate until the governor in council withdraws its authority. That does not agree with subsection 5 of section 4, which states:

> Whenever a scheme for regulation by a local board has been approved, the board may authorize the local board to exercise such of the powers of the board as are necessary for the proper enforcement of the scheme of regulation—

Mr. DUPRE: That has been amended.

Mr. ELLIOTT: What is the extent of the amendment?

Mr. GUTHRIE: That is now subsection 2 of section 4.

Mr. ELLIOTT: But it remains unchanged.

Mr. WEIR (Melfort): The change there takes away from the dominion board the power to withdraw all the powers given a local board.

Mr. ELLIOTT: Then the two sections clearly contradict one another. By old subsection 5 of section 4, now subsection 2, the board may authorize the local board to exercise certain powers, and at any time may withdraw from the local board the authority to exercise any or all of those powers. That wipes it off the slate. Under the section now being considered we have something quite contradictory:

Every local board established hereunder shall continue to have authority to exercise its powers until such time as the governor in council withdraws such authority.

If it is intended to retain the provision in subsection 2 of section 4 giving the board the power at any time to withdraw from the local board the authority to exercise its powers, then it should make that exception in this subsection.

Mr. GUTHRIE: How would it be to include the words, "subject to the provisions of subsection 2 of section 4"?

Mr. MACKENZIE (Vancouver): But subsection 2 of section 4 gives the dominion board authority to delegate certain powers to the local board, while subsection 1 of section 7 tries to give the powers to the local board. I think the same objection we took to the amendment moved by the Solicitor General applies to the section as it appears now in the bill. The section reads:

Every local board established hereunder shall continue to have authority to exercise its powers until such time as the governor in council withdraws such authority.

Obviously that could only apply to that authority conferred upon the local board by the dominion board or by the governor in council.

Mr. DUPRE: I think that is correct.

Mr. ELLIOTT: I am afraid the hon. member for Vancouver Centre does not get the point I am making. Under subsection 1 of section 7 it is perfectly clear that the only power to withdraw authority from the local board is in the governor in council, but under subsection 2 of section 4 there is a similar power vested in the dominion board.

Mr. GUTHRIE: It is not a similar power.

Mr. ELLIOTT: The board may withdraw any or all powers from the local board.

Mr. GUTHRIE: For certain purposes.

Mr. ELLIOTT: That is right. Now I submit that unless the amendment suggested by the Minister of Justice is included, you have a conflict between the two sections.

Mr. MACKENZIE (Vancouver): I should like to revert to the point raised by my hon. friend. Subsection 2 of section 4 is the section which delegates a certain amount of federal authority to the local board, and therefore there is a positive assertion which refers only to the powers conferred by the dominion board upon the local board. Then subsection 1 of section 7 states that the local board shall continue to have that authority, which is being given to it by the dominion board, until such time as it is withdrawn by the governor in council. To my mind one is the authority creating the agency while the other is the authority asserting the actual power of the local board.

Mr. BURY: Under subsection 2 of section 4 the powers that can be withdrawn from the local board are not the powers mentioned in that subsection but any or all of its powers.

Mr. ELLIOTT: No, it makes it perfectly clear that what my hon. friend has suggested is not the intention. The section states:

—the board may authorize the local board to exercise such of the powers of the board—

That is the local board.

—as may be necessary for the proper enforcement of the scheme of regulation, and may at any time withdraw from the local board authority to exercise any of its powers.

Mr. MACKENZIE (Vancouver): Under the interpretation section the board is the dominion board.

Mr. ELLIOTT: No; read it.

—and may at any time withdraw from the local board—

So there need be no inference as to what is intended.

—authority to exercise any of its powers.

When it withdraws from the local board authority to exercise all of its powers that local board is stripped of power as completely as it is possible to be. Then under section 7 power can be taken away only by the governor in council.

Mr. STANLEY: I may point out that the hon. member for West Middlesex (Mr. Elliott) is not reading subsection 2 of section 4 as it has been amended. It reads:

Whenever a scheme for regulation by a local board has been approved, the board may authorize the local board to exercise such of

the powers of the board as are outlined in this section and as may be necessary for the proper enforcement of the scheme of regulation, and may at any time withdraw from the local board authority to exercise any of its powers.

Mr. MACKENZIE (Vancouver): Before the subsection is carried I want to object on another ground, Mr. Chairman. I raised my objection some time ago. It now reads:

Every local board established hereunder shall continue to have authority to exercise its powers until such time as the governor in council withdraws such authority.

The local board is obviously possessed of other authority which we in this parliament have not the right to take away from them. I submit that it should read:

Every local board established hereunder shall continue to have authority to exercise, subject to the provisions of this act, such powers as are expressly conferred by this legislation until such time as the governor in council withdraws such authority.

Mr. MICHAUD: There might be some local boards constituted under this act which received no authority whatever from provincial boards. Evidently this would refer only to such boards because they would be the only boards over which this parliament would have authority. Notwithstanding the fact that it does not say so in the section, apparently these are the boards which this section claims to control.

Subsection 1 of section 7 agreed to.

On section 7, subsection 2—Petition to revoke a scheme.

Mr. GRAY: What is a representative number, Mr. Chairman?

Mr. WEIR (Melfort): To be determined in the same manner as taking the poll.

Mr. GRAY: Where is there anything relating to the number required to take a poll?

Mr. WEIR (Melfort): I said to be determined in the same manner as taking a poll.

Subsection agreed to.

Subsection 3 agreed to.

On section 7, subsection 4—Revocation or approval.

Mr. DUPRE: I beg to move, Mr. Chairman, to amend this section by inserting the following as subsection 4 and renumbering the present subsection 4 as subsection 5.

(4) If a poll was taken in connection with the establishment of the scheme, a poll shall be taken before the scheme is revoked and the minister shall state the necessary percentage of votes favouring revocation to warrant further consideration of the petition.

[Mr. Stanley.]

Amendment agreed to.

Subsection 4 as amended agreed to.

On subsection 5—Revocation or approval.

Mr. BEAUBIEN: Do I understand that before a scheme can be revoked there must be a poll taken, and yet no poll need be taken to set up a scheme?

Mr. WEIR (Melfort): Only in case a poll has been taken to establish it.

Subsection 5 agreed to.

Section agreed to.

On section 8—Approval of proposals for extension, amalgamation, and new local boards.

Mr. ELLIOTT: This section reads:

Whenever the governor in council is satisfied, on the recommendation of the minister, that a majority of the persons engaged in the production or marketing of a natural product so require, he may approve of a proposal—

Why "a majority" in section 8 and "a representative number" in section 7? Why not, for exactness, use somewhat similar language in both sections?

Mr. WEIR (Melfort): These people are now organized.

Mr. MACKENZIE KING: I doubt if the committee has caught the full significance of this clause. Up to now it has been the majority of the producers who have had to say whether a particular scheme was to be imposed on the minority, but this clause gives the minister power to impose a scheme on the majority without the majority having any say whatever. It says:

Whenever the governor in council is satisfied, on the recommendation of the minister, that a majority of the persons engaged in the production or marketing of a natural product so require, he may approve of a proposal for,—

In other words, the minister simply says to the governor in council that he is of opinion that the majority require that these boards should be extended and the scope of operation widened, and any regulation thus widened or extended becomes the law by order in council without the majority even having to approve the minister's action. Is not that correct?

Mr. WEIR (Melfort): It is the same in that respect as the previous one. The minister administering the act would have to be satisfied that there was a majority.

Mr. MACKENZIE KING: This just says, when the minister believes that "a majority of the persons engaged in the production or marketing of a natural product so require." The minister, not the majority, settles what the requirements of the majority are. In other words, the whole purpose is gradually to slip away from the authority of the majority through local boards and give the sole direction to the minister over a majority in a large area.

Mr. BURY: Surely the words "so require" mean that positive action has been taken by the majority. It is not merely stating the minister's mind, but when the minister is satisfied that a requisition has come in from a body of people whom he believes to be a majority—

Mr. MACKENZIE KING: That is not what it says.

Mr. BURY: That is what it does say. It says: when the minister is satisfied that a majority require, and "require" means that they have put in a requisition.

Mr. MACKENZIE KING: Where does it say that?

Mr. BURY: It says so in the bill.

Mr. MACKENZIE KING: Read it.

Mr. BURY: I will read it, but I thought the right hon. gentleman had read it himself:

> Whenever the governor in council is satisfied, on the recommendation of the minister, that a majority of the persons engaged in the production or marketing of a natural product, so require—

I take that to mean, have so requisitioned.

Mr. MACKENZIE KING: Then let us say it that way.

Mr. BURY: They cannot require without asking.

Mr. MACKENZIE KING: I move, Mr. Chairman, to substitute the words "have so requisitioned" for the words "so require."

Mr. MacLEAN: Why not make it seventy-five per cent of a majority?

Mr. GUTHRIE: How would it do to say "have required in writing"?

Mr. MACKENZIE KING: That is all right.

Mr. McINTOSH: Why not give them the vote and they will soon settle it.

Mr. MACKENZIE KING: I suggest that for the words "so require" in the fourth line the words "have so requisitioned" be substituted. The Minister of Justice (Mr. Guthrie) has suggested that we should use the words "if required in writing" and that is equally acceptable if the minister prefers that his amendment should go through.

Mr. GUTHRIE: I withdraw my amendment.

Mr. MACKENZIE KING: Otherwise we would have "have so requisitioned" for "so require."

Mr. GUTHRIE: I withdraw my amendment because I think "so require" is just as effective as "have so requisitioned."

Amendment (Mr. Mackenzie King) negatived.

Mr. ILSLEY: The difficulty I see is to determine the area within which is this majority. It does not clearly mean the majority of persons subject to an existing scheme. It may possibly mean the majority of persons engaged in the production or marketing of a natural product in Canada. I should like to ask the minister what this means, the majority of what persons and in what area?

Mr. WEIR (Melfort): In any proposed area.

Mr. ELLIOTT: Why use the word "majority" in section 8 and the words "representative number" in section 7? Why not use the same terms in both sections?

Mr. WEIR (Melfort): These are organized bodies representing different areas and the minister must be satisfied that the majority are in favour.

Mr. ILSLEY: That means clearly a mere estimate of the minister, because he proposes to take in any area. That area may be the rest of Canada outside of the area under an existing scheme and he must proceed then only upon the requisition of the majority of the persons engaged in the production or marketing of a natural product in that area. How is he going to determine whether or not the majority in that area is in favour? The answer the minister gave a while ago was that these people are now organized, but it is quite apparent that they are not organized. The majority may not be organized and there may not be any provision for having a poll.

Mr. NEILL: Will the minister explain under what circumstances it might be necessary to invoke paragraph (d) which reads:

> the creation of a new local board to regulate the marketing of a product already subject to regulation by one or more existing local boards,—

We have a product which is now regulated and two local boards are being set up. It goes on:

—provided that the existing local board or boards approve and that the powers of the new local board can be exercised consistently with the exercise of the powers of any existing local board or boards.

We are to have two boards operating side by side and then the minister comes in and creates a new local board, not to take the place of the other two but to support and coexist along with them and regulate them. Then we have the provincial marketing board and the dominion marketing board. What circumstances has the minister in mind to require the need of that subsection?

Mr. WEIR (Melfort): May I illustrate? If there is already a regulated product, say apples, in Nova Scotia, there may be a local board there and similar boards in Ontario and British Columbia. If the three boards submit a scheme and it is considered sufficiently representative of the producers, then a local board can be set up by choosing say one representative from each of the local boards already in existence. This local board would cooperate as one body, in this case perhaps for the work of export.

Mr. NEILL: Would not that be the jurisdiction of the dominion board?

Mr. WEIR (Melfort): Not necessarily.

Mr. NEILL: That board deals with exports.

Mr. YOUNG: Could there be two local boards operating in the same territory?

Mr. NEILL: Three.

Mr. YOUNG: Could there be several local boards operating in the same territory in connection with the same product?

Mr. WEIR (Melfort): No.

Mr. SANDERSON: Suppose these three local boards could not come to an agreement, what would happen then?

Mr. WEIR (Melfort): That would depend upon the circumstances and it might not be thought advisable to set up one board to amalgamate the three.

Section 8 agreed to.

On section 9—Minister may propose a scheme.

Mr. DUPRE: I move to strike out this section and substitute the following therefor:

9. Notwithstanding any other provision of this act the minister may, if he is satisfied that the trade and commerce in a natural product is injuriously affected by marketing conditions through the lack of a local board, at any time propose a scheme for the marketing or the regulation of the marketing pursuant to section four of this act of such product in inteprovincial and/or export trade, and the governor in council may approve of such scheme and authorize the board to administer such scheme directly or in cooperation with local boards, or through any agency which it may establish. Such scheme shall continue in force until terminated by the governor in council.

The CHAIRMAN (Mr. Stirling): I have an amendment moved by Mr. Stewart (West Edmonton) that section 9 be struck out of the bill. However, the Solicitor General (Mr. Dupre) has moved an amendment which should be considered first, as a direct negative is not an amendment to an amendement.

Mr. MACKENZIE KING: The amendment which has just been moved helps to emphasize what I wish to say about this particular clause. It seems to me that this so called marketing bill is in reality two separate measures welded into one. One measure is based on some theory of economic nationalism while the other is based on some theory of economic imperialism. The one dealing with economic nationalism undertakes to bring into being a number of local boards which will have the approval of the governor in council to regulate marketing within the dominion. As we have just seen by the clause last passed, the process is to start with a local board, have it make certain regulations and then enlarge the scope of those regulations by allowing the governor in council on the recommendation of the minister to make regulations just as wide as possible We come now to a new departure. If no local board has moved in the matter and the governor in council has not taken any steps as a consequence of any local action, the governor in council may be moved into action from some other source or direction. It is this other source or direction which I think needs to be considered in connection with this section and section number 12. Section 12 gives the governor in council the power to prohibit altogether certain importations into Canada and certain exportations from Canada. The minister will correct me if I am wrong, but my understanding of clause 9 is that it is designed to further not a Canadian marketing scheme but an empire marketing scheme. It is the means whereby under an arrangement that has been come to among certain gentlemen in different parts of the empire we are hereafter to have the products of the empire regulated by some central authority in London which will be either visible or in-

visible. The reason I feel quite so sure of my ground as I do is this. I have in my hand at the moment a marketing scheme from the imperial point of view as set forth by no less prominent an organ of the empire than the London Times. It all relates to this bill before the house and explains its imperial significance. Several editorials on the subject have in fact appeared in the Times, the first of which was published on April 3 of this year. It is entitled "Planned Empire Markets." It explains how this present bill which is before this parliament and which it says is likely to be the one to create most discussion in this house, is to fit into an empire marketing scheme whereby an arrangement for complementary production and trade is to be carried out within the empire. The editorial of April 3 was followed by another of considerable length on "The Empire and the British market." This appeared in the Times of April 25. There is another one relating to this same subject in the Times of March 14, under the title "The Empire Group", and still another editorial on May 3 entitled "Mr. Bruce's mission."

As we know, the Right Hon. Mr. Bruce is to be here next week, and I have been wondering whether one of the reasons we are not sitting on Thursday of this week, as the house has sometimes done before, and why the business of the house is being protracted as it is, is to enable Mr. Bruce and the Prime Minister of Canada and others to see what further action if any can be taken in regard to empire marketing before the question is finally determined. Let me read a paragraph or two from the Times editorial of April 3: entitled "Planned Empire Markets."

> The Natural Products Marketing bill which the Canadian government has introduced into the federal parliament seems likely to become the principal issue in dominion politics.

It is significant that the London Times had that view before the bill was discussed in this house, because it was well after April 3 before we began the consideration of the measure here. The measure itself was introduced only on the eve of the Easter recess and not given second reading till some time after. The editorial goes on to say how the bill is likely to be received. I quote:

> It provides the framework within which they can organize their own marketing scheme, the success of which will depend upon their capacity for effective cooperation. The wide sweep of the measure has come as a surprise in Canada, and has caused some alarm among business men, especially among those engaged in buying and selling commodities. On the other hand, it is welcomed by the farmers, who are principally concerned, and it appears that most of the provincial governments are ready to cooperate by passing the necessary supplementary legislation. Canada depends upon her primary production, and most of her farmers, like those of Great Britain, seem to have become convinced by recent experience that unlimited competition is incompatible with security.

Then it says that this bill is avowedly modelled on the British measure, though there may be certain features taken from the American experiment in economic planning. It then proceeds:

> If it becomes law and is put into effective operation, Canadian farmers will be organized on the same lines as the British, and the discussion of common problems and the arrangement of satisfactory conditions for mutual aid will be proportionately easier. A similar development seems likely in Australia. Mr. Bruce's experience in London has convinced him more than ever that the economic salvation of the commonwealth, and indeed of all the British countries, depends on the pursuit by the governments of the empire of a concerted policy in trade and production, and not by the governments alone, but also by the leaders of agriculture, industry, commerce, and finance. If however, these leaders are to conclude effective agreements with one another, it can only be as the responsible spokesmen of organized bodies representing the different sections of the national economy.

There you will find the real reason for this bill. It is not the local marketing features that will be really significant as this measure begins to be operative, but the extent to which the production and trade of this country are to be made subject to some enonomic empire planning scheme of which so far as Canada is concerned no one but the governor in council himself will have precise knowledge. Under this section parliament is asked to leave in the hands of the governor in council, without discussion in this house, the scheme which is to govern in regard to production and trade in Canada, a scheme which through the agency of empire government is to form part of a concerted policy in trade and production. It is time that we considered carefully what this government may do with respect to imperial marketing schemes before allowing the government to have the authority given it by this proposal.

I could quote from the other editorials I have mentioned to show that the whole matter is one that has been carefully thought out in London and is undoubtedly worked out in different parts of the empire through the cooperation of interested parties. What I wish to take exception to is not that the ministry should have a plan of empire marketing, if that is what they deem to be desirable, **but**

that they do not come forward and state frankly that such is their policy. I take exception to the fact that under the guise of a bill which purports to regulate production and trade in the interests of the farmers of Canada, the farmers may find themselves eventually in the position where they must discover that unwittingly they have been supporting some thing which gives the governor in council in Canada the power to prevent altogether the exportation of some of their products and equally the power to prevent altogether the importation into Canada of commodities which they may find it very much in their interest to have imported. That is the really serious aspect of the bill, and I submit it is a consideration of which this house should take very full account before it sanctions the passing of section 9.

Mr. WEIR (Melfort): I must congratulate the right hon. gentleman on his very vivid imagination. I have read the section twice since he began speaking to see whether it was really the clause he had in mind, the clause we drafted in this bill. Behind the drafting of this clause there was certainly not the idea which the right hon. gentleman suggests. I stated, when speaking on the second reading of the bill, that the purpose of this provision was to deal with any emergency, if such were considered to exist, in the marketing of any agricultural products, or to deal with a product that could not be regulated as readily as others—for instance, live stock, which, because of the great range of the country over which it is scattered, creates a difficult situation, with which the dominion board or local board could not deal as it could with other commodities. If we had had last fall the power granted under this section, I believe that to a very considerable degree the difficulty that was experienced in the marketing of cattle would have been met at perhaps no cost whatever to the government.

Mr. YOUNG: How?

Mr. WEIR (Melfort): Some 38,000 head of cattle, many of them not finished for the market, were thrown upon the market with the result that the price of cattle that were suitable for the market was forced down, although no one got any gain thereby, neither the farmer who sold the cattle, because they were not fit for sale, nor the packer, because they were not fit to be slaughtered for food. It might have been easily arranged to have these cattle, by means of a system of credit or by some arrangement in conjunction with the provinces, moved to districts where there was sufficient feed. The farmers in those districts might not have enough money, but if they had been given assistance in the purchase, in the form of credit, they could have marketed their product to much better advantage than they did.

Another instance in which this might be used to a greater extent is illustrated by the experiment we carried out this past fall in the shipping of feeder lambs and ewes from ranges in the west to the farmers of Ontario. It has worked out very satisfactorily. Under present arrangements these ranchers will ship the lambs to the stockyards and pay local freight. Then there are additional charges, handling charges in the stockyard and also the losses that come from keeping stock like that for a number of days in conditions to which they are not accustomed. Then they are bought, loaded and shipped to Ontario, as in this case they might have been, and another local freight is charged. They are shipped to Toronto and left there where further charges are made upon them. Then there is another local freight charge to the farmers in Ontario. I believe that would not happen if that particular industry were organized, but until it is, that is one instance in which I think the marketing board would take the lambs from the ranchers in this way and as we did take them, with one local freight to the farmers in Ontario who wish lambs for feeding, not only saving the farmer a great deal of actual outlay but bringing the lambs to them in better shape. The same thing might be done by the dominion board being the connecting link, if that were necessary, between the provincial marketing board in Alberta or Saskatchewan and the one in Ontario.

Similarly as regards our cattle, it would have saved many dollars to the Ontario people and also to the western people if the cattle had been contracted for under supervision and with a guarantee of quality and grade to the Ontario farmers, and shipped directly rather than through the stockyards, where, no matter what care is taken, farmers have in many cases experienced losses from haemorrhagic septicaemia.

Also with regard to coarse grains a great deal of regulatory work could be done until the industry had an opportunity to organize. At the same time a case like this might arise: In 1930 or 1931, when we were forced to ship our cattle to the United Kingdom and it was necessary, in doing so, to put before the old country farmers the best type of cattle we had to export, there did not seem to be any action

taken by private individuals to make such shipments and I was able personally by calling in five or six of the largest ranchers in the west to persuade them even to take a loss, if that were necessary, to fit up certain boat loads of cattle of that type to ship to the feeding farmers in the old land. The ranchers felt at the time that they were going to lose a good deal on this shipment, but as the matter turned out their cattle met with such approval in the old land they netted back to the ranchers in Calgary and Moose Jaw considerably more than they were offered before the cattle were shipped. In that case it was possible to carry that out by making that arrangement. I believe it would have been better if we could have continued to make such trial shipments to the old country, and especially if we have reason to believe they wish live stock of a certain type—and I will take live stock because I have been dealing with it—this board could make points of contact in this way more advantageously than could be done by a great deal of advertising such as is being carried on by other countries.

The same procedure might be carried out in regard to other countries where we felt that we could establish new channels of trade. In that connection I might say that there is and has been for the past two or three years quite a good possibility of this, but no advantage seems to have been taken of it because no person has before him the picture as a whole. I have reference to the demand that could be created in the United Kingdom for malting barley, barley of the malting type. We put on an exhibition there and our barley met with the highest approval by the old country maltsters. They made inquiries but found that no uniform supply was coming forward. Manitoba, Saskatchewan and northern Alberta are particularly well adapted for the production of this kind of barley. I use this simply for an illustration. If we could follow up this exhibition that has been put on from year to year for at least four years—because it had been put on before I took over the portfolio I hold—we could assist very much and perhaps start a new trade to be handed over, if the industry itself did not become organized, to private interests. I can assure the committee that in drafting this bill nothing could have been further from my mind than the suggestions thrown out by the leader of the opposition.

Mr. SPEAKMAN: To my mind clause 9 particularly as amended is one of the most important clauses in the bill and the only clause through which a certain phase of the farmers' marketing difficulties can be met. I much prefer the amendment brought down to the clause as printed in the original bill. In the first place the scheme as suggested under the new clause 9, confined as it is to interprovincial and export matters, as brought forward by the minister himself or by order in council will not come into conflict with the regular local or provincial boards. That, in my opinion, will avoid a good deal of confusion, but there is one phase which is dealt with under the amendment and which I believe is one of the most important in the whole picture. We have referred in the house before to those small exportable surpluses of so many types of farm products which, although small, are able to smash and disorganize the entire domestic price. It is sometimes impossible for the average exporter to get rid of this surplus by exporting it, because he could do so only at a loss, and because the prices in outside markets during certain periods of the year are lower than the Canadian price. The result is that those surpluses remain here and disorganize and bring to chaos the domestic price, even though they amount to perhaps only five per cent of the whole. Where such a situation exists, not only is the minister empowered through order in council to bring into effect a scheme to take care of export matters, but the dominion board is, under this amendment, empowered to act as that exporting agency or to appoint an exporting agency. In other words, it provides the machinery through which this small exportable surplus, be it cattle, hogs, dairy products, eggs or what not, may be taken off the domestic market, thus stabilizing it; and if and when losses are involved by export it will provide that the entire trade may contribute to make up those small losses. That to my mind is very important; without it the bill would fail of at least half its purpose. I heartily approve the amendment as brought down.

Mr. STEWART (Edmonton): I regret that I have to disagree with the hon. member for Red Deer (Mr. Speakman) with regard to the amendment. I think there is ample provision in the bill for the board to handle all the matters that were outlined by the minister in his short statement in connection with the original draft and the amendment. I cannot conceive why the minister wants to interfere with the board to which he has given such powers and why he wants powers beyond those of the board, if that were possible, and I do not believe it is. In my opinion the board has ample powers to do every mortal

thing suggested by the minister. Why have dual jurisdiction? Under the bill the board is given power to do anything. In the eighth section the board itself provides that it may extend the geographical limits of any territory to take in, if necessary, even the whole of Canada. Then the minister comes along with clause 9 and suggests that in addition to all these powers the minister shall have power over all the matters he has outlined to the committee.

Mr. WEIR (Melfort): May I make one suggestion? Clause 8 is entirely different from clause 9. In clause 8 organizations have already been set up and the product has been regulated. Section 9 deals with the products that have not been regulated in that way. So we could not extend the area under section 8 to include that of a product that is not already regulated.

Mr. STEWART (Edmonton): Section 8 extends the geographical limits.

Mr. WEIR (Melfort): There would be no geographical limits in that case.

Mr. STEWART (Edmonton): Assume it is a regulated product. Now the minister wants power to go beyond that. The board have power, or power can be delegated to the dominion board, to do any of the things suggested in section 9. That is why I am moving for the striking out of the section. All these powers can be exercised by the board. But the minister rather adroitly suggests in the amendment that it shall be not interprovincial but export and import trade. I take very strong exception to sections 9 and 12. I do not see that they are required. What I object to in this bill is the compulsory features of the whole thing. You are going to force twenty-five per cent of the producers in a given area, if seventy-five per cent of them agree or think they agree—

Mr. WEIR (Melfort): Not by section 9.

Mr. STEWART (Edmonton): I am speaking of the prior sections.

Mr. WEIR (Melfort): I thought we were discussing section 9.

Mr. STEWART (Edmonton): So we are; I am referring to them in connection with section 9. Twenty-five per cent of the producers are liable to be forced into a scheme no matter how much they object, if one is set up; they are going to be subjected to all the provisions of this bill. I do not know anything that will cause more friction in a community than an attempt to do that kind of thing amongst neighbours. I have lived in a rural community all my life and I know how far it will go. But when you follow that up and say, no matter how you may sugar coat the pill, that you are going to take complete control, no matter how laudable the object may be, even if it be to save a delicate situation such as was mentioned by the minister in connection with live stock, he will find that whoever is in charge will land in a very sorry position. I am quite in accord with all the assistance the government can give to the marketing of live stock, but I am utterly opposed to compulsion of any sort, and here we have it in its worst form. For that reason I move that section 9 be struck out.

Mr. WEIR (Melfort): Compulsion in section 9?

Mr. STEWART (Edmonton): Yes.

Mr. WEIR (Melfort): I would ask the hon. member to state where there is any compulsion in section 9.

Mr. STEWART (Edmonton): If the minister will read the section as it is proposed to amend it:

> Notwithstanding any other provision of this act the minister may, if he is satisfied that the trade and commerce in a natural product is injuriously affected by marketing conditions through the lack of a local board, at any time propose a scheme for the marketing or the regulation of the marketing ...

Take that in connection with section 4.

Mr. NEILL: Would the minister kindly explain why in the revised section 9 it says "propose a scheme for the marketing or the regulation of the marketing," whereas in section 4 it is confined to regulating the marketing. Does it convey the possibility for instance of buying wheat? It is certainly different from section 4.

Mr. WEIR (Melfort): In the short statement I made as to what was intended in this particular section I said the words "for the marketing" were put in for that reason, because power would be required here other than that of regulating the marketing. The word "marketing" was added to give power to the dominion board in cases such as this to buy and sell if necessary.

Mr. NEILL: The minister considers that this section gives him power to buy and sell? Then I suggest that we do not need any of the other sections.

Mr. WEIR (Melfort): I do not think it necessary to answer that statement of the hon. member. The cases are altogether different. If the producers wish to organize themselves for the regulation of the marketing of their products, the rest of the bill gives

them power to do so. This section gives to the dominion board power to deal with emergencies in such cases as I mentioned and many others before the product is regulated or comes under a scheme.

Mr. MACKENZIE KING: With respect to what the minister may have had in his own mind in the drafting of the bill I naturally accept entirely what he says. But that is not the important matter for this House of Commons to consider in enacting this particular clause. Others may see in it quite a different purpose and possibility. What I want to make clear to the minister and the committee is that under this clause it is quite possible for the governor in council on recommendations of the minister to put into operation any scheme that they please, and any scheme for the marketing of any product, according to the definition of the marketing bill, as it is, includes buying and selling shipping for sale or storage and offering for sale. And in connection with natural products we must take the definition given in the bill, which is, any product of agriculture or of the forest, sea, lake or river, and any article of food or drink wholly or partly manufactured or derived from any such product; and so on as further amended in committee. It simply means that if for example there were in London an empire marketing board, and that board wished to regulate trade within the empire in such a way that all of a certain product should be bought from one part of the empire rather than any other country, or that the products of Canada should be sold to certain countries rather than others, the minister would under this section have it entirely within his power to recommend such a scheme to the governor in council and the governor in council to set the scheme in force.

Mr. WEIR (Melfort): I do not think the right hon. gentleman wishes to give the interpretation that I took from what he said. Section 9 does not give power to the dominion board to do that with reference to any product, but only products that are not regulated as set forth in the act previously. For example if the Nova Scotia fruit growers organized an export board of their own under this bill, then the dominion government would not have authority to act under section 9.

Mr. MACKENZIE KING: I am glad the minister has drawn the attention of the committee to that fact. All that is needed in connection with a regulated product to do what I have said, is the power given under section 8 which with respect to any regulated product enables the governor in council to make regulations as widely applicable as he pleases. Then if it were desired to work out some inter-empire marketing scheme, where a regulated product did not happen to come before the board, the minister himself might deal with products not regulated, and draw up his own scheme and make it apply. It is quite apparent that the two sections are to be read together, and together they will give the minister power to regulate all products of this country. That is a power which should not exist in any board.

Amendment carried on division.

The CHAIRMAN (Mr. Stirling): There is a motion by Mr. Stewart (Edmonton) that section 9 be struck out of the bill. That I must declare out of order, because it is a direct negative.

Section as amended agreed to.

On section 10—Provincial marketing board.

Mr. DUPRE: I move to strike out this section and substitute the following therefor:

Whenever a scheme or regulation relates to an area of production which is confined within the limits of a province, the governor in council may authorize any marketing board or agency established under the law of the said province to be and to exercise the functions of a local board with reference to the said scheme.

Mr. MICHAUD: I presume that the provisions of section 10 relate to the powers conferred on the board by section 9. For the sake of clarity and uniformity throughout the act would it not be preferable to use the words "whenever a scheme of marketing or regulated marketing" instead of "whenever a scheme of regulation"? Unless this has a different meaning from what it appears to have I should like to make that suggestion.

Mr. WEIR (Melfort): The purpose of this section is to make it possible to cooperate with provincial boards set up under the jurisdiction of a province. It has nothing to do with section 9.

Mr. MICHAUD: Throughout the act the words "marketing" and "regulated marketing" have been used, but in this section the word "marketing" is omitted. Is that for a particular purpose or do the words "scheme of regulation" apply to a different matter?

Mr. SANDERSON: I want to ask the minister the meaning of the words, "the governor in council may authorize any marketing board or agency established under the law." What is meant by "agency established under the law"?

Mr. WEIR (Melfort): In Ontario they have a marketing board already established. There might be a local board set up in Ontario or Nova Scotia under a scheme similar to this, and the governor in council might name that board as its agency. This section is solely for the purpose of making it possible to have the greatest possible cooperation between the provinces and the dominion marketing board.

Mr. SANDERSON: Does the minister mean that some agency might take the place of the local board?

Mr. WEIR (Melfort): No.

Mr. GEARY: Look at section 4 (j).

Mr. SANDERSON: I am not asking the hon. member for Toronto South.

Mr. WEIR (Melfort): I thought I had explained that the term "agency" used here might be taken in a broad sense to include provincial schemes of marketing that would fit into the whole picture of the regulation of marketing, and we might name that provincial body as our agent. As I said before the whole purpose of this section is to provide for the fullest cooperation between the dominion and the provinces.

Mr. MICHAUD: Is it the intention of this section to enable the dominion board to cooperate with the provincial boards with regard to marketing only?

Mr. WEIR (Melfort): No, the regulation of marketing.

Mr. MICHAUD: To cooperate in the regulation of marketing? That is what I am trying to have inserted in the act, because those words have been used in conjunction with each other all through the act, and it may lead to ambiguity if the same phraseology is not maintained.

Amendment agreed to.

Section as amended agreed to.

On section 11—Board may act under provincial legislation.

Mr. DUPRE: I move that this section be stricken out and the following substituted therefor:

11. The board may exercise any power conferred upon it by or pursuant to provincial legislation with reference to the marketing of a natural product and may authorize a local board to exercise any such power.

Amendment agreed to.

Section as amended agreed to.

[Mr. Sanderson.]

On section 12, subsection 1—power to restrict importation.

Mr. MACKENZIE KING: I think this is the worst section of the whole act; the others have been pretty bad, but this section gives the governor in council power to do what it pleases with the trade and commerce of the country, and incidentally therefore with the production of the country. Certainly this is a usurpation of the rights of parliament, as complete as anything could be. Let me read the section:

12 (1) The governor in council may, by order or regulation published in the Canada Gazette, restrict the importation into Canada of any natural product which enters Canada in competition with a regulated product, and the governor in council shall have power to make regulations to provide for the licensing by the minister of importers, or otherwise to enforce any order made hereunder.

(2) The governor in council may, by order or regulation published in the Canada Gazette,—

(a) provide that any natural product shall not be exported from Canada without a licence;

(b) prescribe the forms of such licences, the terms and conditions thereof and the persons who shall have authority to issue the same;

(c) impose penalties for breach of any such order or regulation or of any licence issued thereunder, and, generally, make such provision or authorize the doing of such acts or things as may in his discretion be deemed necessary or expedient for giving full effect to any orders, regulations or licences made or issued hereunder.

In a word, Mr. Chairman, if that section began with the words "the parliament of Canada" I would have no exception to take to it. Then we would have power in this parliament to say whether or not any, and if any, what restriction of trade should take place; whether or not the imports of this country should be restricted and, equally, the exports. I do submit that the constitution of this country, the British North America Act, gives no such power to the governor in council, and it cannot be construed that because exclusive power is given the federal parliament to legislate on matters of trade and commerce this parliament can take those powers in their entirety and transfer them to the governor in council. Let me read section 91 of the British North America Act:

It shall be lawful for the Queen—

Not the governor in council.

—by and with the advice and consent of the Senate and House of Commons, to make laws for the peace, order and good government of Canada, in relation to all matters not coming within the classes of subjects by this act assigned exclusively to the legislatures of the provinces; and for greater certainty, but not so as to restrict the generality of the fore-

going terms of this section, it is hereby declared that (notwithstanding anything in this act) the exclusive legislative authority of the parliament of Canada extends to all matters coming within the clases of subjects next hereinafter enumerated, that is to say,—

2. The regulation of trade and commerce.

I submit, Mr. Chairman, that it is only this parliament that can pass laws for the regulation of trade and commerce to the extent of restricting exports and imports, and under the constitution parliament has not the power to delegate that right of legislation to the governor in council. Much less has it the right to interfere in matters that come exclusively within the jurisdiction of the provinces. The provinces have exclusive jurisdiction to legislate with respect to property and civil rights; surely they have some say with regard to the licensing of the citizens within the provinces who are carrying on their ordinary vocations and occupations. This section states that at the instance of the governor in council any producer in Canada may be obliged to take out a licence before he can sell a product or offer it for sale. That comes to the same thing as not being allowed to produce, because if a man is not permitted to sell or offer for sale the things he produces very soon he will cease to produce without a licence. A producer becomes liable under this section to a penalty of fine or imprisonment at the instance of the governor in council for pursuing what up to that moment has been his only source of livelihood, his only occupation.

Surely it is not necessary to go further than that in order for hon. members of the committee to see why they should vote against this clause. I have pointed out wherein I believe it is wholly unconstitutional, and with respect to this section, I should like to repeat what I said with regard to section 9, namely that I believe one of its purposes is to enable the governor in council to regulate the trade and commerce of this country in a way that will serve, if its policy is one of inter-imperial trade rather than world trade, to force the trade of the country into inter-imperial lines and to restrict world trade in other directions if necessary to accomplish that end. A policy of that kind up to the present has resulted in the trade of this country being diminished in very considerable proportions; to carry it further would destroy altogether what little trade still remains.

Mr. GUTHRIE: I should like to say just a word in regard to the constitutional question urged by my right hon. friend in the remarks he has just made. Surely section 91 of the British North America Act, which he has read in full to the committee, is in itself a complete answer to his constitutional objection. By that section the parliament of Canada is given exclusive jurisdiction to legislate in regard to the regulation of trade and commerce. This bill proposes to regulate in some respects the trade and commerce of this country, and in particular the export and import trade. In all constitutional discussions that have taken place since confederation, since the British North America Act was passed it has never been questioned that matters of export and import trade which constitute our dealing with foreign countries are specially within the jurisdiction of the dominion parliament.

Parliament proposes in the bill now before the house to regulate the export and import trade and commerce of this country as defined in the bill. Parliament is the power which is legislating in this matter. If this bill is passed parliament merely enacts that the imports and the exports of the dominion may be regulated as provided in section 12 of this act. There is no attempt to take away, to alter, or to limit the power of parliament. The whole bill is drawn with the idea of utilizing the legislative jurisdiction which this parliament undoubtedly possesses under section 91 of the British North America Act which my right hon. friend has just read to the house. I cannot see anything in his argument. I think this measure is strictly in conformity with the constitution. If my right hon. friend's argument is sound our whole bill falls to the ground.

I think that anyone who appreciates section 91 and considers this bill in the light of it must absolutely conclude that this particular section number 12, is within the jurisdiction of this parliament.

The questions of jurisdiction which have caused some difficulty in regard to this measure are not in regard to the regulation of trade and commerce as it pertains to exports from and imports into Canada, but I will grant you that it has not been the easiest thing to draw a line of demarcation as between dominion and provincial jurisdiction in the preparation of this bill. We have realized at all times that we were steering between Scylla and Charybdis, Scylla being the federal jurisdiction and Charybdis the provincial jurisdiction. But we believe we have been able to steer a course which does not infringe upon provincial jurisdiction on the one hand, or upon federal jurisdiction on the other. But in regard to exports and imports the question of

provincial jurisdiction does not arise. I think that is perhaps the clearest thing in the bill, and it lies exclusively within the jurisdiction of the House of Commons.

Mr. MACKENZIE KING: With all due respect I submit that the Minister of Justice has not answered the point that I made. Let me give an illustration. Would the Minister of Justice say that if to-morrow the governor in council were to decide to prohibit the importation into Canada of any article that may be regulated under this act, no matter what the article may be, and no matter what the volume of it may be, the governor in council would have the power to do that constitutionally?

Mr. GUTHRIE: Yes, if this act passes. Section 12 gives us the constitutional right.

Mr. MACKENZIE KING: Then what we are doing in this act is to divest parliament altogether of any further say as to what is to be prohibited in the way of importations into Canada and as to what is to be prohibited in the way of exportation from Canada, and turn that power over entirely to the governor in council?

Mr. GUTHRIE: We are not divesting parliament of any right. Parliament is conferring upon its own creature, the executive of this House of Commons, special powers with regard to export and import trade.

Mr. MACKENZIE KING: That is turning the whole position wrong side foremost. The executive is intended to be subject to parliament, not parliament to the executive. This is making parliament subject to the executive. It is reversing the whole system of responsible government. It is seeking to take away from parliament the right it now has to regulate trade and commerce and invest its creature, as the Minister of Justice says, the executive, with this right. The minister assents; he says, yes. I say that that is contrary to all parliamentary practice, and contrary even to the pretence of responsible government, and no one knows that better than the Minister of Justice. If the intention had been to allow the executive to do as it pleases with the trade and commerce of the country and with taxation, the constitution would have been so drafted; but the constitution was expressly framed to give certain rights to the House of Commons, the Senate, and the representatives of the crown combined, which were to be exercised by them exclusively, and in contradistinction to the executive or any other body. Those three constituent elements of parliament were to participate in any exclusive power which is given this parliament under the constitution.

Mr. GUTHRIE: They are participating now.

Mr. MACKENZIE KING: They are not doing anything of the kind, with all due respect to the minister. What the argument of the Minister of Justice amounts to is this, that all this parliament needs to do to free itself of its obligation to legislate is to say by an act that we are assigning to the governor in council power to make the laws set forth in the British North America Act and exclusively assigned to the jurisdiction of the parliament of Canada.

Some hon. MEMBERS: No.

Mr. MACKENZIE KING: It is the same reasoning. What is the difference? The Minister of Justice says it can be done with respect to all legislation respecting trade and commerce. Then why not with respect to all legislation respecting public debt and property? Why not with respect to the raising of money by any system of taxation? Why not with respect to borrowing money on public credit?

Mr. GUTHRIE: We do that now.

Mr. MACKENZIE KING: One sees in a moment to what an absurdity the whole constitution of the country is brought when the government asserts a power of that kind. It is a device to take away completely all the control of the executive by parliament, to take it away in regard to the regulation of trade and commerce, and if in connection with trade and commerce with regard then also to taxation, because no fiscal policy could be kept within the control of parliament if the governor in council is to be free to do what it pleases with respect to legislation on these subjects.

The Minister of Finance brings in his budget. He has a certain tariff policy imposing certain duties with respect to commodities coming into this country. What is the sense of parliament going to the trouble of enacting what the duties are to be and expressing its opinion thereon if the day after parliament prorogues the governor in council is to have power to prohibit the importation entirely of these commodities into Canada? And that is the power that is being given here.

I say, Mr. Chairman, that there could not conceivably be a more complete reversal of

the whole relationship of the executive and parliament or a more complete subversion of the rights of parliament and its control of trade and commerce and its control of taxation than is to be found in this section.

Mr. NEILL: I am not qualified to deal with the constitutional issues involved, but I appreciate what the Minister of Justice (Mr. Guthrie) says with regard to difficulties between dominion and provincial jurisdiction. He compared it very aptly to holding a course between Scylla and Charybdis. I only hope he will not find that instead of choosing a course between them he has countenanced a bigamous relation with both, which would be disastrous.

I want to take this opportunity, Mr. Chairman, to bring forward a matter that has not been given the consideration it should have received in this house. Under this section the question of contracts and treaties arises. I hope the Minister of Justice will give me his ear for a moment. I dealt with the matter the other day at page 3121 of Hansard. I pointed out how impossible it is to conduct business to-day anywhere to any extent worth appreciating without making contracts and engagements ahead over a long period of time, for months and in some cases years ahead. Men may want their goods delivered at some far distant portion of the world and will ask: "Will you deliver such and such"—it may be telegraph poles, for instance, which have to be wintered or summered six months —"eighteen months from now?" Or a man may want fish or paper delivered in a certain place at a certain time and he often wants to make a contract for a long period ahead. A hundred instances might be given of these contracts arising to facilitate any form of marketing. But when this bill is passed they would hesitate to involve themselves in contracts because of the many penalties that may be involved. For instance, a ship pays a heavy demurrage each day that it is detained, and when men do not know under what obligations they may be under to some board when the particular time arrives, they will hesitate to make a contract. Take the case of a contract for flour to be shipped perhaps eighteen months or more ahead. The only answer the minister gave to my remarks the other day was this. He said:

> I feel that all local boards will be anxious to facilitate all contracts rather than to break them.

But it is not a question of local boards wanting to facilitate contracts. Here are contracts in existence. When the boards come into existence, are they going to take no notice whatever of those contracts?

Let me show what they did in Britain. This is a parallel case because, of course, the same situation exists there. I refer hon. gentlemen to page 263 of the British Marketing Act, 1930-31, containing eight separate subsections. I cannot read them all, but section 8 provides carefully and clearly how all these contracts are to be taken care of. A man is not to be liable to a penalty for contravention of a scheme if what he does is in pursuance of a contract. I quite accord to the minister a desire to promote trade and commerce in Canada but I cannot understand how he can leave out such an obvious thing as that.

Again, no man knows better than the Minister of Justice how involved this is with the question of treaties. We certainly have over a score of treaties with other countries. Here is what the British act says. Section 3, which appears on page 475 of the 1933 act reads:

> In deciding whether to make an order under this section—

That is the section where you have regulated importations of agricultural products—

> —and in settling the terms of any such order, the board of trade shall, among other considerations, have regard to the interests of consumers of the product to which the order relates (including persons who purchase that product for the purpose of subjecting it to any treatment or process of manufacture)—

We have taken no notice of that.

> —and to the effect which the regulation of the importation of that product into the United Kingdom is likely to have upon commercial relations between the United Kingdom and other countries; and the board shall not make such an order unless they are satisfied that it is not at variance with any treaty, convention or agreement for the time being in force between His Majesty and any foreign power or between His Majesty's government in the United Kingdom and the government of any other country.

Obviously that includes any other British country. When we consider our trade relations with Great Britain under what we call the empire agreements and our trade relations with Africa, Australia and so on we should have regard to this matter. However, we seem to be going at this bill, so to speak, wide open. It is just like a horse that has run away with its rider; it takes everything in its course until it comes a smash. There is no regard or provision for these two important questions, treaties and contracts. The minister is reported as saying that in drawing up this bill he had in mind that it should be sound, simple and practicable. I leave it

to the committee and I think we can leave it to the country as well to decide as to whether this bill is sound, simple or practicable.

Mr. GUTHRIE: My right hon. friend has stated that this measure is a negation of parliamentary practice and likewise of the principles of responsible government. As far as responsible government and parliamentary practice is concerned I think the outstanding model for this parliament is the practice of the parliament of the United Kingdom. Does my right hon. friend realize that chapter 31 of the Regulation Act passed in 1933 by the British House of Commons provides:

> Subject to the provisions of this section, the Board of Trade, after consultation with the Minister of Agriculture and Fisheries and with the secretaries of state concerned with agriculture in Scotland and northern Ireland respectively, may make an order regulating the importation into the United Kingdom of any such agricultural product as may be specified in the order, if it appears to the board after such consultation as aforesaid—

That so and so has happened. What about the power of parliament in regard to trade as practised in the British parliament? What about the negation of the principles of responsible government? Our British model has done likewise. What about the charge of infringement upon the right of taxation by interfering with imports upon which taxes are raised? The parliament of the United Kingdom has passed an act authorizing the Board of Trade to do the very thing which we propose under section 12 of this bill. It will be said that the powers of the British parliament are plenary while in Canada our powers are governed by the provision of the British North America Act. I submit that under that act this proposal is constitutional in every respect, but so far as the charge that we are abrogating the principles of responsible government is concerned, I say we are following the British model adopted by the British parliament in 1933. So far as the criticism that we are infringing on the right of the House of Commons and the Senate in regard to taxation on imports is concerned, I say that the parliament of Great Britain is doing the same thing. It has authorized the Board of Trade to do what ordinarily would be done by the House of Commons and the House of Lords. The British act has been our model in preparing this legislation, but we cannot go as far as the British act goes in every respect. We have followed the example of the British parliament so far as parliamentary practice and so far as the principles of responsible government are concerned, and we have kept within our constitutional rights under the British North America Act.

Mr. MACKENZIE KING: The Minister of Justice (Mr. Guthrie) read the section but he carefully avoided saying anything about its main provision which is that what is therein set forth shall be subject to the provisions of that act. If the Minister of Justice will read the provisions of the act he will find that the parliament of Great Britain has taken good care to protect its rights in many particulars.

Mr. GUTHRIE: I fail to find it.

Mr. MACKENZIE KING: No such clause can be found as this section.

Mr. GUTHRIE: To what clause does my right hon. friend refer?

Mr. MACKENZIE KING: To section 12. It does not say "subject to the provisions of this act," it reads as follows:

> (1) The governor in council may, by order or regulation published in the Canada Gazette, restrict the importation into Canada of any natural product which enters Canada in competition with a regulated product, and the governor in council shall have power to make regulations to provide for the licensing by the minister of importers, or otherwise to enforce any order made hereunder.
>
> (2) The governor in council may, by order or regulation published in the Canada Gazette,—
>
> (a) provide that any natural product shall not be exported from Canada without a licence;
>
> (b) prescribe the forms of such licences, the terms and conditions thereof and the persons who shall have authority to issue the same;
>
> (c) impose penalities for breach of any such order or regulation or of any licence issued thereunder, and generally, make such provisions or authorize the doing of such acts or things as may in his discretion be deemed necessary or expedient for giving full effect to any orders, regulations or licences made or issued hereunder.

That is all that is to be found in that section. There is no qualifying or limiting of the conditions. Absolute power is given to the governor in council, and it is power in no way subject to any provisions elsewhere in the act or to any provisions of any other act. This parliament simply declares that the governor in council is to have the power to restrict trade, both import and export. More than that, the governor in council is to have the power to issue licenses and to tell any man, whether he be an importer or an exporter, that he cannot carry on his occupation without a licence issued in accordance with

the terms laid down by the governor in council. I say that you cannot find a parallel to that in any legislation in any part of the world, except in those countries which have abandoned parliamentary institutions altogether and have gone in for dictatorships, whereby an authority which corresponds to that which the governor in council in this country is rapidly becoming makes the law and everybody is obliged to follow it without representatives of the people having any say one way or the other. That is the position to which we are being reduced in this parliament, and the Minister of Justice cannot deny that. I say that this parliament has no right to enact and it ought to decline completely to countenance any measure which will remove from parliament and transfer to the governor in council, local boards, general boards or any other body the control over trade and commerce and all matters relating to tariffs and the taxation incidental thereto. That is what we are doing under this section as it stands. This section does not follow any model deserving of imitation, it is laying down a procedure which would not be countenanced for one minute in the British House of Commons.

Mr. GUTHRIE: The British act does not say "subject to the provisions of this act."

Mr. MACKENZIE KING: My hon. friend read it.

Mr. GUTHRIE: Pardon me, I did not. What I said was "subject to the provisions of this section," that is, section 1. There is no provision in that section which refers in any way to the powers of parliament or gives parliament any power or control. That section places the whole control with regard to regulated imports in the hands of the Board of Trade.

Mr. NEILL: After reference to the agriculture supply committee and two ministers.

Mr. GUTHRIE: The Board of Trade is not parliament, and I am talking about the House of Commons and the House of Lords. The British act divests absolutely the House of Commons and the House of Lords of any control and places the control with regard to certain imports in the hands of the Board of Trade.

Mr. MACKENZIE KING: Certain imports—what imports?

Mr. GUTHRIE: Certain regulated imports. Under this act we have placed the power in the hands of the governor in council on the advice of the minister.

Mr. MACKENZIE KING: In connection with any and all imports and exports.

Mr. STEWART (Edmonton): The objection I take to the section is along another line than that suggested by my leader. This is just the finish of a number of acts of this government by which they have usurped the power of parliament. It is probably the most flagrant attempted yet, but they are improving. They started in first of all, under the guise of an effort to meet the serious conditions in the country, by taking authority under "peace, order and good government" to spend the public money without designating any particular sum. I have never heard of the British House of Commons doing that; in that respect this government excels the British parliament. This government has led the way. Now I do not know why hon. gentlemen opposite require this section. The Minister of National Revenue has the power, wrested from this parliament, to impose almost any taxation he sees fit in restricting imports. He cannot do much with exports, so that may explain section 12. He can however interfere in a very definite way with imports. I do not see why you need any reference to imports here at all. The hon. member for Comox-Alberni (Mr. Neill) has raised the question as to what will be done with the treaties. I was wondering when the minister was discussing this section what he would do about Australian wool, which is more or less under an agreement. It is a natural product that comes into Canada.

Mr. GUTHRIE: We will respect our treaty obligations.

Mr. STEWART (Edmonton): Oh, you will. I should not think it would be necessary.

Mr. GUTHRIE: Perhaps not for you, but for us it is.

Mr. STEWART (Edmonton): If the Minister of Justice will look at some of the orders put through he will find that the government does not respect its treaty obligations.

Mr. POWER: What about the tariff board?

Mr. STEWART (Edmonton): They have no treaty with the tariff board. The minister, I say, may impose any duty he sees fit under the regulations and provisions which he will enforce, so I do not think you need to be alarmed about imports. It may be true that they want to do something about exports and will regulate the entire trade of the country, under the control of this government. However, I am not very much alarmed about

it because I think the time is coming rapidly when the government will not be regulating anything, and I do not think it can come too quickly. Before the country is absolutely ruined I hope that something will happen to regulate this government to the place where they belong—I should not care to say where, because I do not wish them any warm reception. I do say however that if section 9 might be required—and I cannot conceive under what circumstances it will be required—section 12 is an abortion; it is not required at all, and you can operate without it. All that is required is simply to delegate the matter to that minister who is already doing his best to prevent imports from coming into the country. And as to exports, they will take care of themselves; no one will buy from us because we do not buy from them. That is the unhappy position in which Canada finds herself. I am not going into that now, but I will take half an hour some day and try to put on Hansard a record of some of the things that have happened to us under this department in connection with our trade. So far as I am concerned I propose to vote against this particular section.

Mr. MACKENZIE KING: I wish to place on record the position to which the trade of this country has fallen under the restrictions already imposed.

Some hon. MEMBERS: Oh, oh.

Mr. MACKENZIE KING: I do not wonder that hon. gentlemen opposite groan because they know only too well what is coming. With regard to total imports and exports, under the liberal administration the total import and export trade of Canada in 1928-29, the year before we went out of office, amounted to $2,360,000,000. Under the present government, in the last fiscal year, 1933-34, the total trade had fallen to $886,000,000, or a fall of 60 per cent.

Mr. SULLIVAN: What about the total world trade?

Mr. MACKENZIE KING: My hon. friend may give that. It will be found that so far as Canada is concerned world trade has been sacrificed to trade within the empire, and that without a considerable increase in empire trade. That is why I deem it necessary to protest as strongly as possible at this time, when it is known that the policy of the present administration is one of furthering inter-imperial trade at the expense of world trade. I must protest strongly against giving this administration further power to restrict the world trade of this country as is here proposed by giving the governor in council if they so desire, the power to oblige every importer and exporter to secure a licence before he may import or export, or failing so to do, to be subject to a penalty.

Mr. POULIOT: May I ask the Minister of Agriculture whether he has at hand the information I have requested in regard to the decrease in home consumption.

Some hon. MEMBERS: Oh, oh.

Mr. POULIOT: I will tell the settlers who have been suffering in these hard times that hon. gentlemen opposite merely laugh when I speak of the misery of the people. I will tell the farmers of this country everywhere—everywhere I speak, in any province—that when I mentioned the decrease in home consumption of farm products many hon. members on the government side sneered at me. I will tell them that every time we plead their cause in the House of Commons there are gentlemen on the other side, supporters of this government, who laugh at us.

An hon. MEMBER: Why don't you ask Taschereau?

An hon. MEMBER: Or Eddie Cantor.

Mr. POULIOT: Rubinoff. May I ask the minister whether he has those figures?

Mr. WEIR (Melfort): I regret very much that we have not that information completed. We are particularly anxious to go into it in detail so that the hon. gentleman will have the advantage of all possible information in connection with the matter.

Mr. POULIOT: The minister has no excuse for an answer of that sort. I wonder whether it is because, when I rose on a former occasion to ask that very question, the Prime Minister told him not to give it. Is that why he has not already given me that information? The hon. gentleman has no excuse for not having that information. If he has it there is no reason why it should not be given to the house. I ask for it not for myself but on behalf of the farmers of the country. They are entitled to the information and I hope the minister will get it. If he does not produce it it means that he pleads guilty in answer to the figures that have already been put on record in this house and which will be used on every occasion. I do not wish to be unpleasant to the hon. gentleman; I am as lenient as anyone can be. But I have a right as a member to have complete information from the minister on these important matters. Why have we a staff in the department if they are all dumb and cannot

answer questions which the minister asks them on behalf of the member for Temiscouata? He asked those questions on behalf of his electors, on behalf of the farmers throughout his constituency. We have a right to know why there has been such a decrease in the home consumption of farm products. How did this happen? How is it that the Canadian people are eating less than formerly? Is it because they have no money to buy anything? Is it because they have less purchasing power on account of the decline in exports due to the tariff walls that the government have erected around this country? It is most important for us to have that information and to have it now. If we do not have it now, it is because the minister refuses to inform the committee as to the terrific consequences of the policies of the government.

Some hon. MEMBERS: Carried.

Mr. POULIOT: If any more members make jokes like that when I am speaking about the distress of the farmer, it will be my duty, although it is repugnant to me, to name them in order that it may be on record that this and that member on the government side have laughed at the misery of the farmers who are at present unable to sell their products.

May I ask this question of the Minister of Agriculture, for the last time and in all earnestness, on behalf of those whom he represents in the cabinet, on behalf of the humble farmer who lives far out in the wilderness, on behalf of that formerly prosperous farmer who has also become humble and poor on account of the policies put into force by the government, and also on behalf of the poor unemployed who may live in Halifax or other cities and who have no money with which to buy apples, cheese, wheat flour, honey or any other delicacies? Why do they have less money? Why are they unemployed? For the full information of the committee and in order to bring back confidence from the corner where she has been hiding herself for such a long time, may I ask the minister kindly to tell us what steps the government have taken in order to put a stop to the decrease in the home consumption of farm products? The minister is apparently in a good mood to-day. The bill has advanced; we are now at clause 12 and we are nearing the end of our study of the bill. The committee will be rising in a few minutes; these are the last clauses. If the figures for which I have been asking are given to the committee, it will be possible for me to ask additional questions to complete the small amount of information which will be given to me by the minister. May I for the last time ask him in all fairness, in all sincerity, in all kindliness, to reconsider his decision and to show that he will be able to administer the legislation. At the head of such an organization is needed a man of ability, of decision, a man who knows his business and who is prepared to have his orders respected, not a man who tolerates that his staff shall answer him when it pleases them. The man who is needed is one who has authority as head of his department, a man who is listened to and obeyed. Therefore I ask the Minister of Agriculture, who is surely endowed with all those qualities: Why does he not show now that he is that able man; that he has authority in his department; that his staff listen to him and when he wants information, he gets it immediately? I am sure he has it; if he does not have it in his coat pocket, he has it in his vest pocket. Let him be kind enough to give that information to the committee for the benefit of the farmer, for the benefit of the unemployed and for the information of the whole country.

Mr. WEIR (Melfort): I wish again to assure the hon. member for Témiscouata (Mr. Pouliot) that there has been no desire to withhold this information from him. I am sure, if he appreciates the amount of work entailed by the questions he has put on Hansard and also the work the staff has to do apart from that, he will believe we have made every effort to bring down this information. By the middle of last week I thought we should have had it by last Friday but there were still some points it was difficult to clear up. Our whole desire has been to submit to him the best statement in answer to the questions he has put. So far as withholding the information until this bill is passed, is concerned, the information has, so far as I can see, no bearing on the bill because this legislation has to deal with the regulation of marketing. It is not necessary for me to refer to his suggestion, which I think was almost entirely out of order, that the Prime Minister had suggested we should withhold the information from him. I am sure every hon. member realizes that the Prime Minister has too much work to do to be concerned about such matters as that.

I regret that the leader of the opposition, when he was making his statement in regard to restricted trade since 1930, did not take a little time to make the picture more complete and accurate and to point out that in one

year alone, 1929-30, while the right hon. gentleman and his party were in power, by just one act the United States restricted our exports to them to the extent of 250,000 head of cattle. That was the extent of our exports to that country in 1928-29, and by the tariff they placed against our cattle it was impossible to send any there in 1929-30.

Similarly with reference to our trade in milk, cream and butter going to the United States from the eastern part of Canada, during the right hon. gentleman's tenure of office through action taken by the United States our trade was restricted in one year to the extent of sufficient milk, cream and butter to be the equivalent of 52,000,000 pounds of cheese. That was the restriction of trade that took place before this party came into power. One could deal at length with restrictions in trade caused by action taken by other countries in regard to our wheat, but I feel that the facts have been put on record so often it would be a waste of time to deal longer with them.

One more point. There are some twenty-five or more countries at the present time that restrict their trade on the basis of quotas. We are living in a real world, and have to act accordingly. If, for example, the United Kingdom should decide to-morrow that we should not ship there in one year more than 20,000 head of cattle, how are we to deal with such a situation unless we have powers? That would be beyond the control of this government. The same thing might take place with any one of the twenty-five or more countries that have placed restrictions on imports. Everything would be haphazard if we had not power to restrict exports in dealing with countries that have imposed quotas. If the restriction that I have suggested were imposed by the British government as to live stock, what would be the effect? Every cattle exporter would try to ship every head of cattle he could at the earliest possible time, thereby tending to lower the price, and the result would certainly be injurious to our live stock industry.

Mr. MACKENZIE KING: Should the governor in council decide to require licences of importers and exporters of certain commodities under this section, would any importer or exporter who carried on business without a licence be liable to fine or imprisonment?

Mr. WEIR (Melfort): If that were one of the regulations he certainly would be liable to penalties under the act, otherwise it would be ineffective.

[Mr. R. Weir.]

Mr. MACKENZIE KING: Is there any provision in the bill which would give importers in those circumstances a right of appeal to any body, to show cause why they should be granted a licence where one was refused them? I can see none in the bill. As it appears to me, what the government does is to say who are to get licences. They are evidently to appoint an army of officials to distribute licences, but there is no provision made for appeal by a man who may feel that his livelihood is being taken from him simply for having no licence.

Some hon. MEMBERS: Carried.

Mr. MACKENZIE KING: No, I want to hear from the minister on that.

Mr. WEIR (Melfort): I feel that no answer to that is necessary. Any importer could appeal to the governor in council.

Mr. MACKENZIE KING: The minister says that no answer is necessary. There is no answer possible that I can see in defence of that. Hon. gentlemen opposite have been taking refuge behind the assertion that there is to be due process of law before a man is put into gaol or fined for violation of the act. I am drawing attention to the fact that a man may be ruined in his business before any question of law comes up for consideration, simply because he knows he will be liable to fine or imprisonment unless he has a licence. Yet there is no provision in the act for appeal by any importer or exporter who has been denied such licence. I say that simply exposes a man to the risk of complete ruin at the instance of an arbitrary ministry. The ministry has arbitrary power to grant these licences, which can be done only through the creation of a bureaucracy which will operate through the power of fine and imprisonment. Surely that kind of thing is not going to help orderly marketing in this hitherto free dominion so far as production and trade are concerned.

Some hon. MEMBERS: Carried.

Mr. GERSHAW: Before it carries—I assume it is going to carry—I should like to ask the minister what he has particularly in mind in connection with this section. He did mention something about the cattle industry. I have in mind the beet sugar industry. Only fourteen per cent of the raw material used is grown in Canada. Would that be the kind of import he has in mind in connection with this section? I know that great expectations have been aroused on the part of many interested. What had he in mind in that regard?

Mr. WEIR (Melfort): That might be dealt with under this section if sugar were a regulated product.

Mr. RINFRET: Before this clause carries—and personally I hope it will not—I wish again to register my protest against this bill. I choose this clause as the occasion for my observations because I think it is one of the worst features of the bill. When we were dealing with the short title we expressed the hope that the government might bring down amendments that would improve this measure. They have brought down a series of amendments which may have improved it in certain particulars, but I think the sections we have been considering to-night, especially 9 and 10 and this one, are very bad indeed. A short time ago there was an interesting but perhaps too short debate on the constitutional aspect of this question. It has been contended that the regulation of trade and commerce belongs to parliament and that by this section there is an abandonment of that regulation. To that the Minister of Justice (Mr. Guthrie) replied that if parliament has this power it has also the right to delegate it. I shall not discuss the technical point involved, but whether that is right technically or not it is certainly against the very spirit of the pact of confederation so to do.

Let us see how that will apply to another matter. Suppose when the Minister of Finance brought down his budget, instead of saying: We shall reduce the tariff on this item and increase it on another, and have special taxation of so much per cent, he should instead merely do as is done in this bill and say: We claim from the house the power to increase or reduce the taxes on any item we please during the year, without specifying the government's intention in the matter; that would certainly be contrary to the principles of confederation and responsible government. But what is not being done in the budget because it would arouse the whole country is to be done by this bill.

I know many importers in Montreal who are exceedingly disquieted by this bill. This section says that the governor in council may, by order or regulation, restrict the importation into Canada of any natural product. We saw a few evenings ago that natural products as dealt with in this bill mean practically everything produced in the country. The bill provides that the governor in council may make regulations for the licensing by the minister of importers. Now here is a man who has established a business in Montreal or elsewhere—perhaps it has been in existence for many years, having been handed on from father to son—dealing with the importation of goods into this country. Import trade has met with great difficulties during recent years, as everyone knows. There have been wide fluctuations in the exchange values of moneys between different countries, and changes in the customs law which have been exceedingly complex and sometimes different between one office and another. By this bill an importer is threatened with the possibility that one day he may find in his mail a letter informing him that the governor in council, which means the government confronting us now, has decided that he is no longer to carry on his business, for some reason concerning regulation of marketing of the product, but that his competitor is to be given a licence to continue. Mind you, if he does not at once accept that impossible situation he is liable to be gaoled. A moment ago there was a discussion as to whether this act is similar to the one that has been passed in Great Britain. I think this difference has been made clear, that in Great Britain there is no pact of confederation, and that the Board of Trade is practically part of the government. But I will go further and say that if this has been done in Great Britain it is just as wrong as it is in Canada; that is my point of view. This government has not the right to inform an importer that because a board wants to market a product in a certain way he may not carry on his business. The government has not the right to do that, and parliament should not give the government that right.

I may express the hope now that this clause will not carry. This is one section that should have been amended. Here we have a long list of amendments; it has become the practice of this government to present a bill and then, a few days later, to present another in the form of amendments entirely changing the original measure. That has made very difficult the discussion by members of the opposition of any measure that has been brought down by this government. The principle is clear in this case, however; no amendment has been proposed. Here we have section 12, by which the government claims the right to restrict importations and to inform any importer that he must shut up his business. If he does not do so he may be put in gaol. I protest very strongly; I repeat that whether this is done in England, in Russia, in Germany or in Italy, it is wrong, and representing in a Canadian parliament a part of the Canadian people who

are anxious to enjoy freedom of trade I do protest as vigorously as possible against the adoption of any such section by this parliament.

Mr. RALSTON: If this clause has any virtue at all, Mr. Chairman, its only virtue is the effrontery and brazenness with which it puts on record the fact that parliament is going to surrender its power over trade and commerce in this country. I submit to you, sir, that the more one reads the section the more one is convinced that the government cannot have considered its effect before bringing down this measure.

In the first place, imports are restricted so far as they interfere with the marketing of regulated products, but the power to restrict exports is not limited to products which are regulated; it is confined only to natural products. That is to say, the export of any product in this country, whether or not it is the subject of a scheme, can be regulated by the governor in council by means of a licence. I submit, as has been submitted by others, that this is not the sort of legislation to which this parliament should readily assent. I recall that under section 3 (e) of the N.R.A. in the United States provision is made for certain restrictions by the president with regard to the importation of products which are the subject of codes under that act, but even there the president is not given power to limit the importation of the products which are the subject of codes unless there has been first a reference to and hearing by the tariff commission with opportunity given those who are importers to present their case. As I recall it, there is provision for thirty days' notice as well. Where is the tariff board in this country? Two years ago the government passed the Tariff Board Act, and I understood that act was passed for the purpose of giving importers—and I suppose under this act it might apply to exporters as well—an opportunity of appearing and presenting their case, showing how the proposed regulations might affect them. The tariff board has been constituted, but there is no provision whatever here for any appearance before the tariff board by anyone interested. The governor in council may sit in the east block and make a regulation limiting the export, and may put an embargo on the importation, of any product which is the subject of a scheme. On the other hand they may sit there and require a licence for the export of any natural product, whether or not it is the subject of a scheme.

I submit that one cannot protest too vigorously in the name of the importers and exporters of this country, and those interested in international trade, against this wide and, as I said before, brazen attempt to withdraw from parliament and from the representatives of the people the right to regulate trade and commerce.

Some hon. MEMBERS: Carried.

Mr. MACKENZIE KING: Mr. Chairman—

Some hon. MEMBERS: Carried.

Mr. MACKENZIE KING: No, it is not carried, and I may as well tell hon. gentlemen opposite that with but five minutes to adjournment it is not going to be carried to-night. If the minister wishes to move that the committee rise and report progress, well and good, but this section is not going to be adopted, without further discussion.

Mr. BENNETT: There is nothing added to the discussion by describing statutes as brazen, nor is anything added by threats. It is nothing new to limit exports.

Mr. YOUNG: We did that in the fall of 1930.

Mr. BENNETT: For years the customs act has provided that there may be an embargo against human food under certain contingencies, but the power of delegation was settled by the privy council in the Apollo Candle Company vs. Powell case, in which the power to exercise a discretion by the equivalent of a minister of customs in Australia met with the very same argument that this house has listened to for hours to-night. It was said that this was delegating to somebody else power which the statute conferred upon parliament, and the privy council said—as one would expect, and as has been accepted ever since—that it is competent for parliament to delegate its power to any official that may be named for the purpose of giving effect to the will of parliament, whatever it may be.

Mr. RALSTON: That is a question of policy.

Mr. BENNETT: It is not a question of policy; it is a question of law, as to whether the power can be legally delegated. The question of policy is as to the product to which it shall apply. The question of law is whether, under the constitution, it did or did not apply, and the courts held that the power was there, that it was inherent in the exercise of the functions of government. The long argument that has taken place to-night about substituting somebody for parliament has been

long since abandoned and forgotten. It is so old that I am surprised at its being dragged out here at this time.

That principle has been acted upon by governments in this country; it was acted upon by the government of the right hon. leader of the opposition. The question of the principle is not measured by the size of the commodity with which it deals. I have not interposed in this debate; I do not desire to do so, but the other evening I listened to a very long and tedious argument with regard to the question of taking money out of the unappropriated consolidated fund. Just for the amusement of it I looked at section 7 of the Old Age Pensions Act, and that section provides that all the money this country pays for old age pensions shall be paid out of the unappropriated consolidated fund. That act was passed by the government of my right hon. friend. So, you see, the question of a principle is not measured by the number of commodities that it affects or the extent of its application; the question is whether or not the principle is legal and sound, and all the extravagant language that has been used does not detract from the fact that every principle contained in this bill has run the gamut of the courts and has been established by decisions of the court of last resort in this empire, the privy council.

Mr. RALSTON: The courts have not decided it to be good policy.

Mr. BENNETT: The question of the application of the principle has been decided. Whether or not that principle should be applied to given commodities is a matter for the government of the day to submit to the house, and the government of the day has submitted it. The principle is settled. I say once more to this committee that from the first paragraph of this bill to the last there is not a single principle that has not run the gamut of the courts and been determined by the court of last resort to be a valid exercise of the federal power.

Mr. LAPOINTE: Has parliament nothing to say about it?

Mr. BENNETT: Certainly; the question of the commodities to which it refers; the question of the submission by the government of its policy within those principles is covered by the statute submitted.

Progress reported.

At eleven o'clock the house adjourned without question put, pursuant to standing order.

Tuesday, May 22, 1934

The house met at three o'clock.

CHIGNECTO CANAL

Hon. R. J. MANION (Minister of Railways and Canals): Mr. Speaker, I desire to lay on the table of the house the report of the Chignecto canal commission. This is made up of part one, the commission's findings; part two, the surveys and estimates; part three, the extent and scope of the commission's investigation and also a number of appendices and maps which are applicable to the findings.

CONSTRUCTION CAMPS

REPORTED REGULATION PROHIBITING THE HOLDING OF POLITICAL MEETINGS

On the orders of the day.

Hon. D. M. SUTHERLAND (Minister of National Defence): Mr. Speaker, yesterday the right hon. leader of the opposition (Mr. Mackenzie King) asked me a question regarding the camps. I have been endeavouring to obtain some information on this subject but have not succeeded as yet. By to-morrow I shall be able to give a definite answer.

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): The minister states that he has not been able to obtain the necessary information but will give an answer to-morrow. I ask the minister if the matter of holding political meetings in construction camps under the control of the Department of National Defence is not a matter of policy which the minister himself must determine rather than anyone else? Could he not say now that within certain limits it will be permissible to hold meetings in the camps in an orderly and proper manner?

Mr. SUTHERLAND: The question has several sides to it and I want to go into the matter very thoroughly. By to-morrow I shall be able to give a definite answer.

PRIVILEGE—MR. HEENAN

On the orders of the day.

Hon. PETER HEENAN (Kenora-Rainy River): Mr. Speaker, during my absence from the house on April 24 the hon. member for South Essex (Mr. Gott) made a statement which will be found on page 2513 of Hansard. In referring to myself he said:

In the month of March of that year—

That is, 1930—

—he drew $520 sessional indemnity, $700 for expenses, and as Minister of Labour he drew $1,200, making a total of over $2,500 for that one month in 1930.

I have waited for nearly three weeks to try to catch the hon. member in his seat, but I have not been successful. I had hoped to make a correction while the hon. member was present, but I do not think the matter should go any further. I just want to say that that statement is not true.

SILVER COVERAGE

On the orders of the day.

Hon. IAN MACKENZIE (Vancouver Centre): Mr. Speaker, further to the question asked yesterday of the Minister of Finance (Mr. Rhodes) by the hon. member for New Westminster (Mr. Reid), I should like to direct a question to the Prime Minister (Mr. Bennett) as head of the Department of External Affairs. I should like to know if any negotiations have been carried on between this government and the President of the United States.

Right Hon. R. B. BENNETT (Prime Minister): I take it the hon. member is quite familiar with what transpired at the economic conference held in London and with the agreement which was signed by Canada, the United States and other silver producing countries. The action now being taken by the United States affects its domestic policy and what action may be taken by this country, if, as and when that policy is made effective by legislation, is a matter I cannot anticipate. At the present moment we are following with great care the action which has been taken but obviously I can take no further steps at this time.

FREIGHT RATES ON LUMBER

On the orders of the day.

Hon. R. J. MANION (Minister of Railways and Canals): A few days ago the hon. member for Quebec South (Mr. Power) asked me if I would obtain a ruling supposedly put out by the board of railway commissioners dealing with freight rates on lumber coming east from British Columbia. I made inquiries and the board informed me by letter that they had issued no such ruling. However, having seen several references in the press to lower rates I made further inquiry of the board and I find that they neglected to inform me that the railways had already filed a reduced rate with the board. In fact, I think that rate was in effect at the time they told me they had made no ruling. They were technically correct in saying that they had made no ruling but I am at a loss to know why they did not inform me that lower rates had already been put into effect. I did not wish to be accused later of misleading either my hon. friend or the house.

Mr. C. G. POWER (Quebec South): The minister will correct me if I am wrong but I understand that under the act the railways have authority to make a rate similar to the water rate without consultation with or application to the board. Technically the board of railway commissioners were correct in the statement they made.

Mr. MANION: The railways have to file it with the board but they do not have to get a ruling. I did not know of their decision to lower the rates and I did not want to give any misleading information.

FUEL OIL CHARGES

On the orders of the day.

Mr. PIERRE F. CASGRAIN (Charlevoix-Saguenay): Mr. Speaker, I should like to direct the attention of the Minister of Trade and Commerce (Mr. Stevens) to a matter which has come to my knowledge within the last few days. There are certain companies which supply fuel oil throughout the country, such as the Imperial Oil Limited and the Champlain Oil Products Limited. Last year the Champlain Oil Products Limited, which was then operating under the name of the Lasalle refinery, quoted a price of eight and a half cents per gallon for a winter supply of oil, while the Imperial Oil quoted ten cents per gallon. This year the contracts made by these two companies, the Imperial Oil and the Champlain, are at the same price in each case, 9½ cents. I have asked these people if either of these companies would quote a lower price, and I was given to understand that there would not be any lower price than 9½ cents. I do not know whether this is a combine or whether there has been a bargain or arrangement made between these two companies to keep up the price at a certain fixed level, but if such a thing as that does obtain I would ask the minister if it is the intention of the present price spreads committee to conduct an investigation into the matter.

Hon. H. H. STEVENS (Minister of Trade and Commerce): The suggestion of the hon. gentleman is obviously that a combine exists. Now the Combines Investigation Act provides a very simple method of inquiry. All that is required is for six citizens, I think it is, who

feel they have a grievance, to make their complaint, and then a preliminary investigation is held. I would suggest that my hon. friend consider making an application in that way. So far as the committee is concerned I am not in a position to make any statement about its intentions in regard to an investigation at the present moment.

Mr. CASGRAIN: If I may be permitted, Mr. Speaker, I think that some other business and the prices they charge are being investigated by that committee and I do not think in those cases any complaints were made under the Combines Investigation Act. For instance, the rubber industry is going to be investigated by that committee and the tobacco industry is being investigated, but I do not think any complaints were laid in either case under the Combines Investigation Act.

EMPIRE DEFENCE

On the orders of the day:

Mr. J. S. WOODSWORTH (Winnipeg North Centre): I should like to ask the Prime Minister has any undertaking been given by the Canadian government to the British government with regard generally to an empire defence policy, and particularly with regard to aviation.

Right Hon. R. B. BENNETT (Prime Minister): The answer is no.

HOSPITAL SWEEPSTAKES

BILL TO LEGALIZE LOTTERIES WHEN CONDUCTED BY PROVINCES

Mr. J. A. FRASER (Cariboo) moved the second reading of Bill No. 56 with respect to hospital sweepstakes.

Some hon. MEMBERS: Explain.

Some hon. MEMBERS: Question.

Mr. FRASER (Cariboo): Mr. Speaker, I think under existing conditions I should in the first place express on behalf of the members of the house as well as those outside who are in favour of this measure their appreciation of the action of the Prime Minister in allowing this question to be debated and allowing each member to vote on a measure of this kind according to his own best judgment.

Some hon. MEMBERS: Oh, oh.

Mr. CASGRAIN: Obedient servants.

Mr. FRASER (Cariboo): Hon. members on the other side of the house seem to be surprised because they can vote the way they like.

Mr. CASGRAIN: And you too.

Mr. FRASER (Cariboo): The bill before the house is identical in form with the bill rejected by this house a year ago. The purpose of the bill is to empower the attorney general of any province to authorize a committee to conduct sweepstakes or lotteries within the province for the benefit of hospitals.

The committee will have full powers of regulation over all angles of the sweep. There is no possibility of private gain.

I think that all will agree that hospitals generally are in dire need of additional sources of revenue. The principal sources of hospital revenue in the province of British Columbia are provincial grants, municipal grants and pay patients. Provincial and municipal governments have been obliged materially to reduce their grants and the number of patients unable to pay their bills has increased. Voluntary subscriptions have always been an infinitesimal source of revenue for the operation of hospitals in Canada.

Under existing legislation, all lotteries not authorized by parliament are illegal. The only lottery so authorized is the distribution by chance of works of art of voluntary associations.

I deem it unnecessary to dwell at length on the moral issue involved. In regard to this feature public opinion is strongly divided. Those who are convinced it is wrong to engage in any form of gambling are not likely to alter their opinions by any arguments that I may be able to adduce and those who see no harm in gambling are just as unlikely to be convinced to the contrary.

The fact that a similar bill was twice rejected in another place before it was finally passed with a majority is evidence of changing opinion on this subject.

The premier of Quebec has definitely declared that he favours the enactment of a measure of the character of this bill. In the city of Vancouver in 1932 a plebiscite was submitted at the time of the municipal elections and the vote in favour of the principle of sweepstakes was 25,735 for, 9,777 against, or a majority of nearly three to one in favour of the principle. The question submitted was:

> Are you in favour of legalized sweepstakes, to be operated under the direct control of the British Columbia government for the benefit of hospitals within the province?

The British Columbia Hospital Association, which includes practically all the hospitals in the province, is on official record as in favour of sweepstakes for the benefit of hospitals. The union of British Columbia municipalities requested the provincial government

to submit the question to a plebiscite at the time of the general election. I also understand that the Trades and Labour Congress of Canada has expressed itself as in favour of a measure of this kind.

Some indication of the revenue available for distribution can be obtained from the result of the Irish lotteries. As a result of a royal commission on lotteries and betting appointed by the British government, this is now a matter of official record and the figures which I will give to the house are taken from the final report of that commission.

The review covers the first eight sweeps in the Irish Free State hospital sweepstakes. I do not propose to give the revenues derived from each of these sweeps but will bulk them into one lump sum for the benefit of the house.

The total subscriptions, including sellers' commissions, amounted to £27,122,490; sellers' commissions £4,520,413; sellers' prizes £274,352; expenses £1,907,921; stamp duty £678,382, and by the way the stamp duties have only been levied on the last three sweeps; received by the hospitals £4,880,131; prize fund £14,861,292.

Summarized the results are as follows:

Sellers' commission	£4,520,413
Sellers' prizes	274,352
Other expenses	1,907,921
Stamp duty	678,382
	£7,381,068

A summary of the distribution of the total amount of money received is as follows:

	Per cent
All expense	27.22
Prize fund	54.79
Hospitals	17.99
Total	100.00

I want the house to understand that that refers to only the first eight sweepstakes. Another one has been conducted since then, but I did not think it fair to submit it along with the official record. It is, however, easily available to hon. members. Might I just at this point make this remark: The amount of money that has been handed to the hospitals for their benefit and upkeep is 17·99 per cent of the total amount received. That is a pretty fair proportion out of the total to be distributed; it would be a pretty fair proportion for any commercial organization and I do not think any fault should be found with the hospital sweepstakes on that account.

In my humble opinion, one of the strongest arguments in favour of the bill is the fact that the existing prohibitory legislation does not prohibit. The present law, both in Canada and Great Britain prohibits the sending of lottery tickets through the mails. It is a matter of conjecture how much money goes out of Canada for foreign lotteries, but there is the record of the royal commission of the British government of the approximate amount which went from Great Britain to Ireland. For the first eight sweeps the commission estimates this amount was £18,745,000, or 69 per cent of the total. It is therefore clear that existing prohibitory laws do not prohibit. A statute which is ignored and violated by a large number of citizens brings all laws into contempt. I need only cite the evils which flowed from the violation of prohibition laws. One commentator on this condition in the United States stated that "fathers and mothers had taken to making their own whiskey in order to protect the young people from being poisoned by the product of the bootlegger." Postal regulations prohibit the use of the mails for sending lottery tickets and collecting the money realized, but the practical application of these regulations would indicate no serious attempt to check this practice. If tickets are found in the mail they are detained and destroyed; there is no penalty on either the sender or the receiver. If money is found in the mails being remitted to the manager of the sweep, it is returned to the sender.

The reading of the report of the royal commission indicated that when prosecutions were instituted the penalties imposed were farcical, indicating that cognizance was taken by the authorities of public opinion and that the practice was general. The imposition of small penalties had the effect of discouraging the administrative authorities from taking further proceedings.

Restriction should be relaxed and authority given for the carrying on of regular and honest lotteries as indicated in the bill. A lottery is to the ordinary citizen what horse racing is to society. Surely it cannot be said that lotteries are a more pernicious form of gambling than horse races and we legalize horse races. It is well known that all kinds of gambling are indulged in and that it is impossible to prevent this. Society has its horse racing and gambling is carried on in almost all clubs. Speculators have the stock markets and exchanges for gambling in stocks and shares. These resorts are not available to the plain, every day, citizen and I contend that it is harsh discrimination that the day labourer on the farm, forest, mine, or high seas, is the only one who is to be legislated out of the opportunity for indulging in this mild form of

gambling. I maintain that many of these labourers will not miss the five dollars which they will possibly spend in a year in legalized and controlled lotteries; a very large percentage of those who roam the silent places to search for minerals, or who live by the chase, would assist hospitals in this way and it is probably the only way in which they would ever think of contributing to these worthy causes.

Thirty governments sponsor lotteries. Practically all governments, except Japan, England and the United States conduct honest and respectable gambles for charitable or patriotic purposes and take in the form of taxation generous parts of the sums contributed.

France, in 1933, after September 20, sold $140,000,000 worth of tickets. From the total received 40 per cent is used by the government for pensions and farm relief and the sums provided for these purposes amount to something like $50,000,000. Panama lottery tickets are sold everywhere in the United States and those purchasing the tickets contribute to the support of the Panamanian hospitals.

The Mexican government operates a successful and honest $20,000,000 a year lottery, out of which its hospitals benefit to the extent of $3,500,000 per annum. Spain has a $25,000,000 Christmas lottery, the largest in the world. Cuba, Italy, and all South American governments also indulge in this mild form of gamble. The German lotteries authorized by the government provide funds for unemployment relief. Sweden devotes the profits of its lottery to the support of literature, art, drama and music.

There seems to be some concern in the minds of some people lest the sale of tickets will corrupt the morals and illegally separate the earner in various occupations from his money; that the range rider, the prospector and the trapper would be despoiled and defrauded. In my opinion, these very people would be quite generous in support of lotteries and would welcome the opportunity of contributing to the support of hospitals with the added incentive of the possibility of drawing a prize. The amount wagered by this class would not be large, probably not more than five or ten dollars per annum. Surely the expenditure of this amount will not seriously affect the individual or his dependents. I think the permission of a sweep will give to the ordinary citizen the privilege that the grain exchange, the stock market, or the race course gives to those who patronize them. The practice can hardly be condemned on the ground of gambling because even if it be admitted that it is gambling pure and simple, why should it be prohibited when gambling on horse races and stock exchanges is allowed.

I contend that the honestly conducted lottery is the humble worker's opportunity of playing the stock market or taking a flier on the races. I summarize the following reasons for the enactment of this bill:

1. Because almost every country indulges in lotteries.

2. Because the prohibitory laws do not prohibit.

3. Because substantial amounts of money are sent out of the country to benefit various worthy institutions in other countries.

4. Because existing prohibitory legislation is ineffective.

5. Because existing restrictions are out of harmony with public opinion.

6. Because the bill presented provides for honest administration and absolute control.

I might add that I have under my hand copy of a resolution which I shall read, and which was passed on several occasions by the Trades and Labour Congress and submitted to the government on Tuesday, February 14, 1934. The resolution, which is short, reads:

> Recognizing that sweepstakes and lotteries conducted under various subterfuges are prevalent throughout Canada, we again reiterate our request of last year that legislation be enacted making legal the conducting of sweepstakes under government supervision and control.

It is said that this resolution represents about 200,000 tradesmen residing in the Dominion of Canada.

It might also be interesting to inform the house that just before entering the chamber to speak on this subject I was handed a book of tickets for a lottery in Quebec. These tickets are being circulated this very day in the city of Ottawa. It is well known to every hon. member that not only Ottawa but a number of other cities in the dominion are being flooded with just such stuff as this. This is illegal but still it is being done.

Therefore, I say in closing that I think it is only right, that it will be a proper precedent, to legalize the establishment of lotteries in this country. So I have pleasure in moving, seconded by Mr. Gagnon:

> That the bill be now read a second time.

Mr. ONESIME GAGNON (Dorchester): Mr. Speaker, I am pleased to support my hon. friend from Cariboo (Mr. Fraser) and second his motion for the second reading of this bill. In doing so I am not committing myself to the support of any and every sec-

tion of the bill or precluding the possibility of offering amendments; I merely desire now to approve the principle underlying the proposed legislation which as hon. members know has for its primary object to remove from the criminal code the prohibition of the organization and operation of lotteries in Canada. Nor need I emphasize the fact that a member who on second reading supports a bill is not closing the doors on the possibility of amendment. It is a truism to assert that the bill may be changed and modified before it becomes law. In order therefore to make my position clear, I confine my remarks to the propriety of amending the criminal code in order to legalize lotteries, and now refrain from commenting further on the present bill, which has been so very intelligently explained by the hon. member for Cariboo.

My hon. friend has stated that the people of his native province of British Columbia are in favour of setting up lotteries to help hospitals, as the same state of things now prevails in Ireland. As a matter of fact the mover of the present bill in the Senate, where it has been carried by a substantial majority, also comes from British Columbia.

May I give some reasons which apparently guided my hon. friend from Cariboo when he asked me to move the second reading of this bill? In the province of Quebec where I live, there prevails a strong sentiment in favour of lotteries. Newspapers of all shades of thought are overwhelmingly insistent that if the federal government is reluctant to permit or conduct national lotteries, at least the provinces may be given the power to organize, control or permit the organization and operation of lotteries within their borders. During the last session of the Quebec legislature a bill was passed unanimously by both houses in favour of the setting up of lotteries within the limits of the province. I did not at first intend to read the bill, because I understand that the secretary of the province, Mr. David, has sent to every hon. member of this house a booklet printed in the two official languages and containing: (a) a copy of the bill, (b) copy of the speech delivered by Mr. David when he introduced the bill, and (c) copy of the speech made by Mr. Taschereau, the premier of Quebec. But in view of the fact that at least one hon. member of this house has not deemed it wise to read the bill for reasons which he made known to the newspapers, I think I ought to read the bill, which is as follows:

An act to authorize the organizing of a lottery for educational and public charitable purposes.

[Mr. Gagnon.]

His Majesty, with the advice and consent of the legislative council and of the legislative assembly of Quebec, enacts as follows:

1. The lieutenant-governor in council may organize a lottery called "Lottery of the province of Quebec," and determine the duration, drawings, conditions and manner thereof.

2. The proceeds from the lottery, after deducting the amounts fixed for the prizes and those required to pay the expenses of organization and of selling of tickets and the other incidental expenses, as well as the salaries of the officers and employees appointed under section 3, must be employed exclusively for educational or public charitable purposes carried on in the province and designated by the lieutenant-governor in council.

3. The lieutenant-governor in council may appoint the officers and employees necessary for the carrying out of this act.

The remuneration of such officers and employees shall be fixed in accordance with the provisions of the Civil Service Act (revised statutes, 1925, chapter 10).

4. The lieutenant-governor in council, pending the collection of the sums derived from the lottery, may authorize the provincial treasurer to advance, out of the consolidated revenue fund, the moneys required to pay the expenses of organization and of selling of tickets and the other incidental expenses, as well as the salaries of the officers and employees appointed under section 3.

A special account of such advances must be kept in the treasury department, and the proceeds from such lottery must be used first for their repayment.

5. The lieutenant-governor in council may enact, amend or repeal regulations concerning all matters connected with the organization of the lottery, and with the carrying out of this act, not provided for by section 1.

6. The power given to the lieutenant-governor in council by section 1 shall be exercised only if a lottery of the nature of that contemplated by this act is not prohibited by a statute of the parliament of Canada.

Moreover, such power shall not be exercised if the parliament of Canada authorize the Canadian government to organize a general lottery in the whole of Canada, for purposes similar to those contemplated by the preceding provisions.

7. The provincial secretary shall be charged with the carrying out of this act.

8. This act shall come into force on the day of its sanction.

The bill I have just read has been passed unanimously, as I said, by both houses of the Quebec legislature. An address has also been voted by both houses of the legislature and sent to Ottawa. The hon. Secretary of State (Mr. Cahan) on April 23 last deposited some documents on the table of the house which are: (1) copy of Bill No. 41 which I have just read, (2) the letter from Mr. David to the Hon. Mr. Cahan, which is as follows:

Dear Sir,

You will please find enclosed copy of a resolution that was passed recently by the house, concerning lotteries in the province of Quebec.

Athanase David,
Secretary for the province.

And (3), resolution relating to Bill No. 41 entitled An Act to authorize the organizing of a lottery for educational and public charitable purposes.

Now, Mr. Speaker, in view of the fact that I have just read Bill No. 41, I do not wish to take time to read the resolution, which as you may surmise is along the same lines as the bill I have just read. It may be amusing to hon. gentlemen opposite that it should happen that one of Mr. Taschereau's opponents is in this house supporting his views with respect to lotteries. However, since the bill I have just read has received the unanimous support of all members of the Quebec legislature irrespective of party affiliations, I think I may go so far as to say without showing any lack of humility that I am in a measure voicing the public opinion of the province of Quebec, which is certainly strongly in favour of amending the criminal code to legalize lotteries.

However, I shall say frankly that in Quebec we believe this bill does not go far enough. If it is a sound principle to permit the setting up of lotteries to help hospitals, why should it not be as sound and reasonable to organize lotteries to help universities and other educational and charitable institutions? The principle is the same, only the mode of its application varies, and that can be adjusted by the legislature in order to prevent fraud and assure a substantial measure of relief not only to hospitals but also to universities and similar institutions, which are now, on account of the crisis, in dire distress. My hon. friend and desk mate the hon. member for Berthier-Maskinonge (Mr. Barrette), who as every one knows is not only a good friend of the farmers but also a great friend of the university of Montreal, has already drafted an amendment to this bill which he intends to move if it is accorded second reading. I understand that by his amendment he will try to have this house support the principle that lotteries may be established in some provinces in order to help universities and other educational or charitable institutions. Is it necessary that I should state how strongly I would like to help my own university of Quebec, as well as the hospitals of my home town?

At all events, Mr. Speaker, I have no hesitation in saying that we ought not to let this session conclude without thoroughly studying the principle of lotteries which, as you know, has been carefully investigated by the Senate who, for the last two years, have adopted by a substantial majority bills similar to that now before the house. I do not know of any group of men in Canada who, more than the members of the Senate, are opposed to extreme measures of a revolutionary or extravagant character. Surely the members of that chamber represent the moderate and respectable views of sound thinking, conservative Canadians who are afraid of revolutionary measures. Do hon. members of this house desire to let the people believe that they possess more wisdom, more common sense and more judgment than the members of the Senate possess?

Some hon. MEMBERS: Yes.

Mr. GAGNON: I leave the answer to the conscience of each and every member. A lottery is not a modern invention; it is not the creation of a decadent civilization. If you go back into history you will find that lotteries have flourished in almost every European country. I found a book written in 1933 by Mr. Pierre Coste, a Frenchman who is an expert on lotteries; from that book I extracted some notes, which I should like to pass on to the house. Lotteries seem to have originated in Rome under the republic before the Christian era, but took a greater importance with Augustus and the following emperors. At the time, they were part of the entertainments and festivals organized in the capital of the world.

Lotteries, in the modern sense, are to be found in Italy before the end of the 15th century. Lotteries for the benefit of churches and charity are met with as early as 1519 in Belgium. The first lottery authorized by the state in France took place in 1539. They spread quickly and were used for all kinds of purposes; for the construction of hospitals as early as 1658, just as in Ireland; for Paris fire stations in 1701, for the royal military school in 1757. Then the state stepped in and inaugurated its first official lottery in 1717 to redeem the state paper certificates. From that time on, many state lotteries were organized with great success, and in 1776 a permanent state lottery was established and functioned almost regularly until 1832. During its last thirty years, it produced an annual profit of $3,000,000. Since that time, after temporary exclusion, occasional state lotteries were instituted and this year a state lottery was run with great success and will be renewed next year.

In England, state authorized lotteries appeared as early as 1569. Later the state stepped in for its own benefit and from 1709 to 1824 the government conducted annual

lotteries by which large sums were raised averaging yearly, between 1793 to 1824, about $1,500,000. Now the only permanent state authorized lottery in England, outside of charitable lotteries, is the Calcutta sweepstake.

Lotteries have been popular in almost all countries, Austria, Holland, Germany, Sweden, Switzerland and even China. Now several countries have made lotteries a state monopoly, like Italy, Spain and Prussia. The most important lottery in the world is the "Christmas Gordo," at Madrid. In several cases the state owned Italian lottery is supposed to have brought in as much as $20,000,000 a year.

A few moments ago, when I referred to the Senate, I heard some of my colleagues express a doubtful opinion about the wisdom of that body which gave a substantial majority in favour of the present bill. May I tell them that when I said that in England the state organized lotteries for the benefit of the state I was not colouring the truth at all. I would refer those who are learned in common law to one of the greatest legal minds of all times, Mr. Blackstone, and invite them to read his Commentaries on the Laws of England, volume 4, page 164, where the following will be found:

> As state lotteries were for many years found a ready mode for raising the supplies, an act was made, 19 George III, chapter 21, to licence and regulate the keepers of such lottery offices. They were, however, suppressed altogether by 4 George IV, chapter 60.

Then Blackstone continues:

> It was found necessary to pass a special act for the protection of those laudable associations generally called art unions, having for their object the promotion of a taste for the fine arts, and accordingly by 9 and 10 Victoria, chapter 48, any voluntary association constituted for the distribution of works of art by lot is to be deemed legal provided it be incorporated by charter or the deed constituting the association and its rules have been given, submitted to and approved of by a committee of the privy council.

Then through you, Mr. Speaker, I direct this question to the house: If it is moral and legal in England to conduct lotteries for the benefit of art unions why should it be immoral or against the law to conduct lotteries in Canada for the benefit of hospitals? I should like to quote from an article which appeared in the Saturday Review of December 5, 1931:

> Millions of dollars are going year after year out of Canada to war veterans in Newfoundland, to hospitals in Ireland, and to the winners of the Calcutta sweepstakes in England.

There is but one argument against sweepstakes or lotteries, and it is that it would encourage gambling. That we admit would be a cogent reason why they should not take place if it were possible to encourage gambling, but, fortunately or unfortunately, gambling has already reached such proportions that to talk of its encouragement is as ridiculous as it would be for a nigger to complain of the effect of the sun upon its complexion, and we venture to suggest that if sweepstakes were legalized not one single man, woman or child would for that reason start gambling for the first time. . . . Moreover, those who are foremost in opposing the legalization of sweepstakes are by no means above the holdings of "lucky dip," and such like gambles, in their own churches and chapels. . . . For the first time for many years, we have a House of Commons alive to realities and determined to get something done. Leave it for the government to legalize lotteries for certain specific objects. In this way not only will some good work be carried on officially but our country will not appear quite such a fool in the eyes of the world.

It is not only gentlemen from the province of Quebec who support this bill. A few days ago I received a letter from the Good Fellowship Association of Toronto, which reads:

Dear Sir:

> At a meeting of this association it was decided to send the enclosed circular as to why we think you should support the sweepstake bill coming before parliament. It seems impossible to stop our people from taking a chance; then why not have it run fair and straight under government control and put a stop to the bootlegger who is making himself rich in running illegal sweepstakes. The social service at their meeting yesterday asked you not to pass the sweepstake bill. They evidently do not wish the money kept in this country and prefer sweepstakes being run in the illegal way now being done.
>
> Quebec, Ontario and British Columbia are overwhelmingly in favour of the bill and we have had no reports from the other provinces.
>
> Thanking you in anticipation of your kind support.
>
> Yours truly,
> C.Q.M.S. J. Carroll,
> Secretary.

Enclosed in this letter was a resolution which contains some very good arguments in favour of sweepstakes, and I may say that this association is supposed to include in its membership many distinguished citizens of the province of Ontario. It is true that the royal commission in England reported not very long ago that a revival of lotteries in that country was undesirable. It does not necessarily follow however that we ought to adopt the same policy in Canada. In this connection I need only quote such opinions as I have indicated, the opinion quoted from the Saturday Review and those of gentlemen from the province of Ontario and elsewhere.

Some fifteen or twenty years ago a great wave of public sentiment or opinion swept the whole of the North American continent against the sale of intoxicating liquors. One could not obtain a single glass of wine without exposing himself either to fine or to imprisonment. Surely no hon. member in this house will seriously contend that the standard of morals in Canada or in the United States was higher during the prohibition regime. I have no hesitation in stating that the regime of prohibition is the regime of hypocrisy, and one which generates abuses and which does not lead to any social or moral regeneration. The Volstead Act, which was accepted in the United States in 1918 was repealed by almost all the states of the American union. I am proud to state that in the Dominion of Canada my native province has initiated a policy of state control of liquor which has been accepted by all the provinces, successively. Hon. gentlemen opposite may claim credit for having initiated the policy. I state however that the idea was one which was accepted in 1893 by a caucus of the Conservative party in the province of Quebec, when the Hon. L. J. Pelletier, then secretary of the province and member for Dorchester, and later Postmaster General, moved that a policy of state liquor control be accepted. It has been stated that owing to the opposition of the late Cardinal Taschereau this policy was not put into force in Quebec. Be that as it may, but while the Quebec policy may have had and may still have defects in the main it has been recognized as being based on a sound principle, and has proved to be beneficial to the state. In our province millions have been derived through the state control of liquor, and that money has been spent to help charitable and educational institutions.

May I now come to an aspect of the matter which to me seems amusing. I refer to that which I term the hypocrisy of the prohibition regime. In 1924 I spent a few weeks at Murray Bay, which is situated in the beautiful county of the hon. member for Charlevoix-Saguenay (Mr. Casgrain). During that summer I happened to meet the former President Taft who, as hon. members know, was in 1924 Chief Justice of the Supreme Court of the United States, and who for many years during the summer months had been a resident at Murray Bay. One of his secretaries happened to be living in the same hotel as I was, and in the course of conversation directed to a discussion of the evils of the regime of prohibition he stated that when he wanted liquor in Washington he used to call his bootlegger over the phone. I leave it to your sense of humour, Mr. Speaker, to ascertain whether or not a law legalizing prohibition may be surely and effectively put into force in the United States of America when the secretary to the Chief Justice of the Supreme Court simply has to phone his own bootlegger when he wants liquor. I leave it to your good judgment, sir, to determine whether such a regime is better than a regime of state control of liquor such as that now flourishing in all the provinces of Canada.

Now, sir, it seems to me that if lotteries are properly supervised and controlled by the state they could not be more harmful to society than would be the sale of liquor. I shall not go farther in my attempt to establish that the principle of lottery is sound, and that it is not conducive to immoral consequences. If we agree on that proposition how are we to proceed to legalize lotteries? Opinions on this point are divided. I share the views of those people who state that if in Canada we legalize lotteries we ought to keep them under our own control and organize a national lottery, the proceeds of which in a time of emergency should be used for national purposes. Some hon. members, however, believe that we ought to use them to relieve unemployment, and others hold the view that it would be better to use the proceeds from lotteries to help hospitals or other charitable or educational institutions.

May I in this connection refer to what was said by Premier Taschereau of Quebec when he spoke in favour of the bill before the legislature of that province. He said:

> I would prefer, as far as I am concerned, that we have one great Canadian lottery under the direction of the Ottawa government. We wish Ottawa to create a national lottery like that in France. That would be better than having a lottery in each province because with provincial lotteries there will be competition between them, and we don't know where that would lead. Whereas if we have a national lottery under the auspices of the federal government, I know that apart from being also honestly conducted, the profits will be divided between the provinces on a population basis to be used for charitable and educational purposes.

I have quoted those words to indicate that the Quebec legislature has studied the problem on a rather high plane. Mr. Taschereau concluded his speech in the Quebec Legislative Assembly in using such words as the following:—

> If Canada is unwilling to set up a national sweepstake, let Canada permit the provinces to act as they please.

I know of no reasons why parliament should prevent the provinces from organizing lotteries

within their own borders, if in fact no national lottery is set up. We must not forget that of whatever mind we may be in our opposition to the principle of the establishment of lotteries, tickets for the English, Irish and foreign lotteries are being sold everywhere in Canada, notwithstanding the provisions in our criminal code. Strange to say, I know an hon. member who sits not very far from me who, I have no doubt, will speak against the present bill and who, nevertheless, has in his pocket a ticket on the English Derby to be run on June 6, 1934. I respectfully invite him to show his ticket when in a few minutes he rises to oppose my views.

Every year millions of dollars of Canadian money go abroad to relieve foreign institutions. Our money goes to Ireland, to Calcutta and to all places where there are sweepstakes. You cannot, by any arbitrary provision inserted in the criminal code prevent a man purchasing a ticket on the Calcutta or Dublin sweepstakes any more than you could prevent him having a glass of beer or wine under a prohibition regime.

May I now say only a few words with respect to the bill introduced by the hon. member for Charlevoix-Saguenay (Mr. Casgrain). I would have no objection to voting for his bill which, in all respects, I prefer to the present one. On the other hand, I think we ought not to divide our forces. We ought to unite on the principle of the present bill which embodies the whole matter of sweepstakes. After the house voted in favour of the principle of provincial sweepstakes we could deal with sympathy with my hon. friend's bill.

At this point I wish to refer to the remarks of Premier Taschereau in the Quebec legislature. He spoke as follows:

> At the same time, this article of the criminal code makes an exception, and I wonder who suggested it. It permits Canadians to take part in lotteries held in London under the auspices of the Art Union. It is not permitted to spend one dollar in Canada for a lottery, but millions may be spent, even to the last dollar, for lotteries in London. I have enough national pride to believe that we can do the same thing here.

I merely quote what Mr. Taschereau said in order to show that if an amendment to the criminal code was passed in 1900 permitting lotteries for English art unions it was not because of the Conservatives, because that measure was enacted under the initiative of Hon. Mr. Dandurand, the Liberal leader in the Senate. He voted to legalize sweepstakes in Canada to favour the art unions in England. I refer the house to what Mr. Dandurand said in 1932, as reported on page 48 of the Senate Hansard. He said:

> The Senate in 1900 passed a bill that restricted lotteries to those of the Art Gallery Association of London and one or two others, which I succeeded in having exempted. Those were the only exceptions from the operation of the criminal code.

If hon. friends opposite during the next elections want to make the people believe that we are not true Canadians because Canada favours the art unions of Great Britain, I hope they will remember that the father of that offspring was the Hon. Mr. Dandurand, the leader of the Liberal party in the Senate.

I think I have said enough to make known the views of my province with respect to lotteries. However, I should like to advance another argument in favour of a national lottery for national purposes. I have as my authority an article by Mr. Richard W. Scott which appeared in the Saturday Night of May 5, 1934. This is entitled "There's Money in State Lotteries." I ask you, Mr. Speaker, to note that we in Quebec are always pleased to be enlightened by Toronto when the occasion arises. The subtitle reads, "Here's an idea we could borrow from France, where state lotteries are used to reduce the national debt, satisfy the urge to gamble and actually promote thrift." The article reads:

> The first English state lottery so far as can be ascertained was floated in 1569.

Mr. Scott then proceeds to explain that for almost two hundred years England continued to organize lotteries for the benefit of the state. He states that the usual method was to sell large blocks of tickets to contractors who in turn retailed them to the general public. Mr. Scott then goes on to explain what takes place in France. He says:

> France, always the great realist among the nations of the world, recognized very soon after the war that she must raise money in hitherto unheard of quantities and recognized also that even her thrifty people whether for good or evil enjoyed nothing so much as a gamble. France was already in the gambling business to the extent that she licensed gambling casinos, as we do race tracks, and took, again as we do, a "cut" on the total amount bet. What then was more reasonable than to ask her citizens to gamble directly with the government by means of a state lottery? France asked and her citizens accepted the invitation with almost unexpected enthusiasm. The French plan is here described because it seems most probable that if Canada does turn to the lottery in a desperate effort to restore her finances we shall adopt something similar to it.
>
> Marianne is nothing if not practical. Are her people of a saving nature? Then encourage them to save. Do they also want to gamble?

Then combine saving with gambling in such a way that both will serve to give the government an ever-increasing supply of ready cash. It would seem to be impossible to combine these three desiderata but that is exactly what France has done and everyone, at least in that country, is satisfied with the result. In brief, France satisfies the great French appetite for an absolutely safe savings scheme by selling low denominational government bonds and, by linking a lottery chance with each bond, satisfies also the inherent desire of nearly every human to "take a chance."

The essential point of the scheme is that the bonds are charged in the government's accounts as bearing interest of (for example) four per cent, but instead of being paid at this rate bondholders receive only three per cent on their capital and the other one per cent is used as prizes given to holders of bonds which are determined by lot. Thus everyone is pleased. The frugal peasant is given a gilt-edged government bond priced within his slender means, the gambler has a chance to win ease and comfort even while saving his money, while the government finds a ready market for its bonds at an interest rate that is pleasantly low.

However, let us leave France and try to apply the scheme to Canada. Is it workable and if so how would it work? The best way to answer these questions is to set up a concrete example. Let us suppose that the government desires to raise $50,000,000 at a very low rate of interest and decides to apply the French premium-bond plan to a loan of this amount.

Instead of following the old practice of issuing bonds in denominations of $500 and multiples at 4½ per cent, most of which would be bought by banks, insurance companies and a few rich individuals, the government would issue one million bonds with a par value of $50 each bearing interest at the rate of three per cent per annum and set aside a further one per cent of the principal each year as prize money.

Each bond would bear a serial number and once each year the government would determine by lot which bonds won prizes. In the case of a $50,000,000 issue, for example, this prize money would amount to $500,000 yearly which might be divided something like this:

1 first prize	$100,000
1 second prize	50,000
1 third prize	25,000
10 fourth prizes at $10,000 each	100,000
100 fifth prizes at $1,000 each	100,000
100 sixth prizes at $500 each	50,000
750 seventh prizes at $100 each	75,000
963 prizes total	$500,000

Such a scheme for dividing the prize money is of course only advanced to show one of the many ways in which it could be done. It is not in accordance with the French plan which gives many and smaller prizes, but would, I think, appeal to those of us who now waste thousands a year in a vain effort to capture the capital prize in the Irish sweeps.

I advise hon. members to read that well-written article which is very enlightening on the utilizing of lotteries for the conversion of a national debt. It seems to me that the system used in France could be adapted to Canada. As has been pointed out by Mr. Scott it combines the gambling and the sane investing elements and is not at all against public morals in the broader sense of the word. I am entirely in favour of the setting up of a national lottery for national purposes but if this principle cannot be accepted by the majority of this house, then I ask hon. members to permit the provinces to act as they see fit within their own limits. It is for these reasons that I gladly support the bill sponsored so cleverly and intelligently by the hon. member for Cariboo (Mr. Fraser). The province of Quebec is very happy to support the views of the sympathetic population of the beautiful province of British Columbia.

Mr. J. A. MERCIER (Laurier-Outremont): Mr. Speaker, when freedom of action was given to hon. members on both sides of the house in connection with this bill it apparently included freedom of speech because there was so much noise in this section of the chamber that it was almost impossible for us to follow the speeches of the proposer and seconder of this bill. If I repeat anything that has been said by these two gentlemen it will be just too bad for me. I followed the hon. member for Dorchester (Mr. Gagnon) in the historical exposé that he gave of the question of lotteries, and I agree with all the facts that he stated, but I go further than he did and say that the origin of lotteries or sweepstakes, as the modern name is, is to be found in the old Egyptian days when the peasants were given land to cultivate and the instruments with which to cultivate it through the means of lotteries. The Romans started their festivities with lotteries, and from Rome the practice was extended to France, where many public buildings were put up from the proceeds of lotteries. Churches, hospitals and public institutions were built with the moneys derived from these lotteries. We can go on down through the centuries and find that lotteries have continued to exist through all that time.

The Mississippi Bubble, under Law, was a lottery. You put your money in and got nothing out. Coming down to more modern lotteries, the Louisiana state lottery played quite an important part in the history of the United States. This lottery was founded after the Civil War. Two carpet-baggers went down to the state of Louisiana and mulcted the population of that state and of the whole United States. I was only a child at the time, but I remember that the men of my family, my father and my uncles, used to buy tickets in this lottery. But it was not under

government control and the abuses became so great that the statute authorizing it was repealed, and the lottery organization took itself to Honduras where it only existed for a very short time.

I have found in one of the American magazines an article giving the history of modern lotteries. The most important is given as the Dublin Irish hospital sweepstakes, based on three famous horseraces each year, the Derby at Epsom Downs in June, the Grand National at Aintree in March, and the Cambridgeshire at Newmarket in October. The total annual prize money approximates $22,000,000.

At Paris there is the French national lottery. Public drawings are held in the famous Trocadero theatre. The first prize amounts to about $300,000. The total revenue is estimated at $110,000,000, of which the government receives $45,000,000.

At Mexico city there is the national lottery for public benefit which has existed for more than a century. Drawings are held on thirty-eight Fridays, forty-four Tuesdays and forty-six Sundays throughout the year. The prizes amount to about $15,000,000, and Mexican hospitals, homes and charities receive about $20,000,000 each year.

At Calcutta, India, the Calcutta sweepstakes are run by the Royal Calcutta Turf Club, based on the Derby run at Epsom Downs in June. The first prize is approximately $300,000.

At Havana, Cuba, the Cuban national lottery is conducted by the government. Prizes are drawn three times each month, with special drawings at Christmas and on the anniversary of the presidential inaugural. The receipts are estimated at $30,000,000. The first prize is sometimes as much as $100,000. The awards are never published.

The principality of Liechtenstein has a sweepstake based on the Lincolnshire handicap run in England in March. Over $250,000 in prizes was announced.

Madrid, Spain, holds a lottery three times a year, and at Chrtismas the great prize, sometimes as much as $2,000,000, is drawn. Prizes are not announced. It might not be uninteresting to the house and it will certainly serve the purpose of my drawing to a conclusion the few remarks I have to make in this matter if I quote from this article a few words in connection with the organization of the Irish hospital lottery:

This lottery was organized by Mrs. Lanigan O'Keefe of Dublin, generally recognized as the "mother of the Irish Sweepstakes." She conceived the idea back in 1930, when the hospitals of the Irish Free State were in such desperate financial straits that it looked as though many of them would have to close their doors. Mrs. O'Keefe had been cogitating the possibilities of a lottery for some time. The National Maternity hospital, in which she was interested, was foremost in her mind; but since the other hospitals were in equally bad financial shape, and since there were no anti-lottery laws on the statute books of the Irish Free State, she visualized the lottery on a larger scale.

By an act of parliament passed by the Dail and ratified by the Seanad in June, 1930, the Hospital Trust, Limited, of Dublin, was established for the express purpose of organizing and managing a series of sweepstakes to be based on the three great English racing meets, the Grand National at Aintree, the Derby at Epsom Downs, and the Cambridgeshire Handicap.

Their success was almost instantaneous. Managed and promoted by an efficient business organization, and conducted under strictest government supervision, the Irish Sweepstakes soon became the byword of the English-speaking world, and there was a market for the tickets in every portion of the globe.

Even in the United States, where the embargo on lottery tickets is strictly enforced, it has been impossible to keep tickets for the Irish Sweepstakes out of the country.

In 1931, £5,000,000 in prize money was distributed (approximately $22,000,000), and over £1,800,000 (about $7,300,000) was distributed among the thirty-eight hospitals participating. It is estimated that the complete figures for the year 1932 were almost double these amounts.

So that now, three times each year, we have enacted in the Mansion House in Dublin a scene which rivals even the romantic drawings of the Calcutta sweeps in its halcyon days. From all over the world, the counterfoils of the lottery are collected in the headquarters of the Hospital Trust, and then conveyed by a lorry, surrounded by an armed guard to the Mansion House where the drawing takes place.

An Irish Sweepstakes drawing has been called a press photographers' delight, so colourful is the setting. The millions of counterfoils are first separated and shuffled in an electrically operated air-blasting machine. Then they are loaded into the cars of a miniature railway, operated by pretty young colleens.

The railway cars are driven up to a huge steel cylinder, eighteen feet long and four or five feet high—a modern conception of the old lottery wheel. The counterfoils are dumped into this wheel and the twenty numbered holes, through which some of them will ultimately be drawn, are locked.

The names of the fifty or more horses entered in the race are printed on small slips which are rolled up and put into a smaller octagonal glass wheel. Then everything is set for the big drawing.

Under the supervision of the Chief Commissioner of Police and the Free State officials, an aperture in the cylinder is opened and a nurse withdraws a counterfoil. The number, name and address are read aloud and noted on the official records. Then, from the smaller cylinder, another ticket bearing the name of a horse is drawn and assigned to the holder of the counterfoil. When tickets for all of the

horses entered have been drawn, the smaller "consolation" prizes are raffled.

News cables flash the news of the drawing over the world, and within a few short hours there is jubilation in some thousands of homes that is outweighed only by the unrecorded disappointment of millions of other ticket holders whose counterfoils never emerged.

Mr. Speaker, the question of lotteries in Canada is regulated by article 236 of the criminal code, which has already been referred to, and the sum and substance of which is that lotteries are prohibited throughout Canada with possibly two exceptions, the first being that lotteries organized for church purposes where the prizes are under fifty dollars are permitted, as well as the lotteries of the Art Union of London to which the hon. member for Dorchester has referred.

I heartily concur in the remarks made by the hon. member when he cited the opinion of Hon. Mr. Taschereau, Premier of Quebec, that it was too bad that all this money should be allowed to go to an art union which does not belong to our country, throwing out the idea that it would be better to have this money remain in Canada.

The bill at present under discussion had a stormy career in another place. It was defeated, I think, on two occasions; last year it was accepted there but defeated in this house and it now comes before us in its present form. The question of how this bill is being received in Canada has been dealt with by previous speakers but there is no doubt as to Quebec being in favour of the measure because the provincial legislature unanimously adopted the principle and the documents showing this to be so have been laid on the table of the house. In other provinces considerable support has been given to this bill. In another place the sponsors of it came from British Columbia. The city of Vancouver has passed resolutions favouring sweepstakes and I have before me a clipping from the Ottawa Citizen, under date of March 13, 1934, which states:

The Vancouver city council has endorsed the Senate bill which would legalize sweepstakes and to-day decided to memorialize parliament to the effect that Vancouver ratepayers had voted favourably on the proposal in a plebiscite.

I have been receiving from Ontario numerous communications both for and against this bill. In that province the sporting spirit exists to such an extent that only last Saturday some 22,000 people were present at the running of the King's Plate; this was a very good attendance and I think we may take it that the sentiment in Ontario is, at least to a certain extent, in favour of this legislation. In the other chamber a very able speech was delivered by a senator from Manitoba who expressed the opinion that his province was in favour of the bill. I have not heard what the opinion of the maritime provinces is, but I think we may take it that public opinion throughout Canada is generally in favour of something along these lines being done.

As has been stated, there is no doubt that sweepstake tickets are being sold throughout this dominion, in Ottawa and other cities. Keeping on the statute books an unpopular measure is a very dangerous state of affairs for any country. We know the situation that existed in Canada a few years ago when prohibition was in force in different provinces. In Quebec we had a certain measure of prohibition but seeing the unpopularity of such a law the local government changed it and brought down the measure that at present exists in our province. In other provinces where prohibition formerly existed to a greater or lesser extent, they followed the footsteps of Quebec and the laws that are now in force throughout the country are popular. I recall very distinctly that when the present liquor law of Quebec was put on the statute books great apprehension was felt regarding the family. It was feared at that time that those public places where drinking was allowed would bring this habit into the family; that in family circles drinking would become an habitual affair and that great harm would thereby result. The history of the law in Quebec shows that nothing like that has happened because the people of our province are in favour of the law being an open and frank one.

The history of prohibition in the United States is so recent that there is no necessity to refer to it but we all recall the appalling conditions that existed there prior to the repeal of the Volstead law. Bootleggers, hijackers, racketeers, were running rife throughout the country and conditions became so terrible that horrible crimes were committed like the abduction and murder of the Lindbergh child and the abduction of that young girl of six years, June Robles, in Arizona, who lived in what was practically a grave for about nineteen days. Such conditions were the result of this unpopular law. To-day in Canada we know lottery or sweepstake tickets are being dealt in openly and one reason I am in favour of this measure is that the law will be an open one; that it will meet with the approval of the people and that under it we may do legally what is now being done illegally.

Another point that I would like to draw to the attention of hon. members is the present provision in the law as to the informer who lays a charge against the holder of a winning ticket in a lottery. The law as it stands now gives to the informer against the holder of a winning ticket the right to claim his winnings. It seems to me that this is an obnoxious clause in our law, and no matter what happens to this or any other bill of a similar kind that may come before the house, this clause should be repealed, this provision wiped out and if the public think it necessary to make such an enactment against a winner in a sweepstake, the money so forfeited should go, not to the hypocrite who lays the information but to the state. In effect the law has no result, because as soon as a person is informed that he or she has won a prize in a sweepstake, that person's cousin, uncle, aunt, or brother or someone else lays a charge against the winner, the winner is haled before the courts, judgment is given in favour of the relative, and this money instead of going to the winner goes to the person who is acting in collusion with him or her. Another feature of existing conditions is that those who purchase these sweepstakes tickets do not know whether the tickets they purchase are good or false. There are very many false tickets issued. If this law is passed, the operation being under government control there will be no such abuses in that particular as now exist.

Briefly summarized, the benefits to be derived from this law are that no doubt great benefit will accrue to the hospitals, for that is the aim of the law. I, like other hon. members from the province of Quebec, am in favour of an extension of the law. It should apply to charitable and scholastic institutions. Figures were given as to the profits accruing to the Irish Free State for the years up to 1931, but Premier Taschereau in his speech before the Quebec legislature, which has been sent to members of the house in book form, and which arouses so much ire on the part of the hon. member for Long Lake (Mr. Cowan), says that Sir Thomas Tait computed the amount accruing to the Irish Free State as $50,000,000 for the year 1932. These figures have been verified by competent authorities. In his speech in the Senate, Senator McRae dealt thoroughly with this point. It was computed that twenty-five per cent of the proceeds were turned over to the hospitals. The proposer of this resolution gave the figure as 17·99 per cent but the figures I have enable me to say that in 1932, 25 per cent was turned over to the Irish Free State. Twenty-five per cent of $50,000,000 represents the handsome sum of $12,500,000, which that country derived from the sale of tickets for sweepstakes for its hospitals.

There is another point which has also been dealt with by other hon. members who spoke, which is that there is so much money going out of the country. There is the drainage of money, the flight of capital to other countries. Hon. Mr. David in his speech in the Quebec legislature referred to that feature. He said:

> I would be happy to be able to cite figures in this house to show what amounts yearly leave Canada and the province of Quebec through the purchase of tickets on lotteries of all kinds. I cannot give these details for the excellent reason that those concerned with the lotteries are not anxious for that kind of publicity. However, I do know that one agent of one of the greatest lotteries operated, which I may be pardoned for not mentioning, declared to one of his subagents that he had sold 120,000 books, ten tickets to the book, at $1 each ticket, which means $1,200,000 through the hands of one agent. An article by Howard McLellan in Readers Digest will give the house considerable information on the question of money being drained off by foreign lotteries.
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> A recent declaration of the postal authorities at Washington attests the fact that lotteries alone have drained off three billion dollars in the last three years from the people of the United States. This does not include American lotteries which operate without the government knowing or being able to stop it.
>
> In the state of New York and in New England ticket sellers dispose of tickets to the value of $8,500,000 per month. In one instance seventeen million dollars' worth of counterfeit tickets were seized.
>
> In a town of ten thousand souls in the United States it was found that 112 local lotteries were operating. In another town, one of ninety thousand in New England, two-thirds of the population played the lotteries daily.

The paragraph ends by stating that in a great number of the states the principle of government lotteries is being accepted in order to put an end to this exploitation of the people.

Now, Mr. Speaker, it must be borne in mind that this tax would be a voluntary tax. No one would be obliged to purchase tickets for the sweepstake, and those who are not in favour of this sort of expenditure will not have to go into it. It might be borne in mind also that the winners of the large prizes will have to contribute their share to the public treasury through the income tax on the winnings they receive. As for the arguments against the bill, it is stated for one thing that it is economically unsound, that it distracts the people from the common duties of life. But surely the purchase of one ticket a year would not bring about such a condition. People do not buy these tickets with the absolute idea that they are

going to win, the chances are too heavy against them. These chances are known. Tickets are bought more in a spirit of amusement than anything else. I am not one of those who believe that the purchase of a lottery ticket is a sinful practice. That is my opinion and I am entitled to it as much as those who believe that such a purchase is at least reprehensible are to theirs. Another argument against permitting sweepstakes for hospitals is that it will tend to withdraw voluntary support. But the obtaining of additional moneys from the public in this way can but add to the efficiency of such institutions. Already grants of public moneys are made to them, in addition to private contributions and bequests, and surely public-minded citizens who help hospitals in such a laudable manner now will not let themselves be deterred from continuing their beneficence. In these hard days of depression the hospitals will profit and benefit by this extra contribution, and I am sure they will be in favour of any extra money coming into their coffers.

In the report of the royal commission on lotteries and betting, issued in 1933, the British Hospital Association declares itself to be not in favour of the amendment of the law affecting public sweepstakes for the benefit of hospitals, for the reason that only two-fourteenths of the money went to the hospitals while seven-fourteenths went in prize money and five-fourteenths to sellers and for overhead. As I said a moment ago these figures have been contradicted by eminent authorities; after due investigation it has been clearly proved that twenty-five per cent of the money went to the hospitals. The figures concerning the money that went in expenses and overhead have been contradicted also. In any event a large number of employees must be hired in connection with a sweepstake, and their employment would give a certain amount of relief to different governments in the saving of public money expended in the form of unemployment relief.

I remember when illegal lotteries were operating in the city of Montreal. It was only in isolated cases that any ill effects were discovered so far as the youth were concerned, and one of the main arguments of the opponents to this bill is that the legalization of sweepstakes will have a disastrous effect upon the youth of the country. These lottery tickets were sold openly in the city of Montreal, and at that time I was only a young boy. It did not affect me then; if that were the only sin I had charged against me I would be very glad. Numerous countries operate lotteries, including France, Ireland, Germany, Italy, Holland, Spain, Portugal and Mexico, and it has not been shown that the standard of morality or the social life in these countries has been lowered by this custom. In a general way it has been admitted throughout the world that games of chance, when carried on under proper conditions, in moderation and with honesty, should be tolerated.

For these reasons, Mr. Speaker, and for the reasons already given and to be given by other speakers, I am in favour of this bill and will vote for it.

Hon. C. H. CAHAN (Secretary of State): Mr. Speaker, very briefly I wish to state my position with regard to this bill. I cannot vote for it because, after careful study, I believe it to be ultra vires of the parliament of Canada. This parliament has jurisdiction in criminal matters, and we enacted section 236 of the criminal code dealing with lotteries. When we enacted that section dealing with the criminal aspects of the creation and administration of lotteries, so far as provincial lotteries are concerned, I think we exhausted our legislative jurisdiction.

By this bill the parliament of Canada purports to authorize the attorney general of any province to authorize a committee created by himself to organize a sweepstake for the purpose of raising money for the benefit of one or more hospitals within such province. I should like some hon. gentleman to inform me where, under the British North America Act, we acquire jurisdiction over the attorney general of a province which would permit us to authorize him to create a committee to raise money for certain provincial purposes. I do not think that power exists within the four corners of the British North America Act. Section 92 of that act provides:

> In each province the legislature may exclusively make laws in relation to matters coming within the classes of subjects next hereinafter enumerated; that is to say—
>
> 7. The establishment, maintenance, and management of hospitals, asylums, charities and eleemosynary institutions in and for the province, other than marine hospitals.

This bill deals with the raising of money for provincial hospitals; as I understand it that is the principle and policy of the bill, yet the raising of money for such hospitals, for their establishment, their maintenance and their management, is within the exclusive jurisdiction of the legislature of the province. Therefore I personally raise my objection to placing upon the statute books of Canada a bill at least four-fifths of which I believe to be beyond the jurisdiction of this parliament.

If I may be permitted to do so I should like to examine section 3 of the bill. This section contains twelve paragraphs, by which we authorize the attorney general of the province to authorize a committee to organize a sweepstake for the purpose of raising provincial funds. Under the authority of the attorney general we authorize this committee to specify the hospital or hospitals to be benefited; to specify the person or persons to whom the moneys to be applied for the benefit of the hospital or hospitals shall be paid; to specify the event or events upon which the winner or winners of the sweepstakes shall be determined; to specify when the sale of tickets may commence and when it must cease; to specify the price of tickets; to specify the form and contents of the tickets; to specify what portion or what amount out of the proceeds of the sale of tickets shall be applied for the benefit of the hospital or hospitals, what portion shall be applied for defraying the expenses of the sweepstake and what portion shall be paid in prizes; to specify how many prizes there shall be, and so on. Certainly all these provisions are beyond the authority of the parliament of Canada when dealing with the raising of funds for a provincial purpose.

Mr. GIROUARD: Do I understand the Secretary of State, (Mr. Cahan) to say that this matter comes within the provincial jurisdiction? If so, is my hon. friend of the opinion that the provincial governments have the right to legalize sweepstakes for charitable purposes?

Mr. CAHAN: If my hon. friend will allow me to proceed certainly I will not omit some consideration of that point. It is my personal opinion that the legislature of the province of Quebec, when enacting the measure which was enacted with the unanimous approval of the house of assembly and the legislative council, was acting within its exclusive legislative jurisdiction except for one aspect, namely that by section 236 of the criminal code the parliament of Canada has declared that the organization, maintenance and operation of lotteries is illegal and is a crime except for one or two conditions which are imposed by way of exceptions to that measure. Therefore, if we are to approach the real issue it appears to me that it can be approached only by some such amendment to the criminal code as that proposed by the hon. member for Charlevoix-Saguenay (Mr. Casgrain).

Mr. CASGRAIN: Thank you.

[Mr. Cahan.]

Mr. CAHAN: The amendment suggested by the hon. member if I may be permitted to refer to it, declares that "lotteries organized by the government of a province of Canada for educational or public charitable purposes, under a law of the legislature of such province" shall be excepted from the operation of section 236 of the criminal code. If this were a question of the House of Commons authorizing national lotteries to be created and maintained by the government of Canada for all Canada, I certainly would vote against it. I believe there are very strong objections to the organization and maintenance of national lotteries, and sitting as an hon. member of this chamber and dealing with a national question I am bound to exercise my judgment as to the moral or immoral effects of the proposed legislation. But our ideas of morality differ—as between individuals in this house they differ; as between the people resident in the different sections of the dominion, they differ, and I have always hesitated to enact criminal laws which declare to be criminal certain acts which a large body of people in the country regard as legal, moral and defensible. Therefore I think this bill in a rather clumsy fashion, if I may say so, endeavours to usurp provincial jurisdiction. But with regard to whether this parliament should except from the operation of the criminal code lotteries, organized under the law of a province which was passed unanimously by both houses of the legislature of that province and which are to be carried on directly by the government of the province for two provincial purposes, namely hospitals and education—with regard to that principle may I say that if such a measure should come before this House of Commons, I could not give my vote in favour of declaring that to be criminal which the whole people of the province as represented by the unanimous vote of the legislature, have declared to be desirable and moral. Therefore, on that issue if the bill introduced by the hon. member for Charlevoix-Saguenay comes before the house for decision I think my position is clear. Unless I hear some very strong objection which, up to the present, I have not heard, I think I should have to except the provincial law from the operation of the criminal code, and to that end would vote for the measure. So far as any personal request of mine may have force and effect in this chamber may I state I think it most desirable that an opportunity be given by the house to the consideration of Bill No. 83.

Mr. CASGRAIN: Would the minister permit me to say that I have already asked the Prime Minister for that permission.

Mr. CAHAN: I am simply asking that it be granted, that is all. I am not surprised that the hon. member finds it rather embarrassing to have my support for any suggestion he may make.

Mr. CASGRAIN: I am rather proud.

Mr. CAHAN: At the present time however I am simply speaking for myself and recording my views. I certainly cannot vote for the bill before the house because I consider it to be only so much waste paper and that, as an act of parliament, if the constitutional question were raised, it would prove ineffective and inoperative. If this bill purported to authorize a national lottery to be carried on by the government of Canada I would oppose it, but I am not prepared to declare that which in the opinion of the whole province in which I reside, as indicated by their representatives in both houses of its legislature, is moral and virtuous, is nevertheless criminal, and should be prohibited by the criminal law of this country.

Mr. A. M. CARMICHAEL (Kindersley): Mr. Speaker, before proceeding to a discussion of the bill I purpose moving the following amendment, seconded by the hon. member for Red Deer (Mr. Speakman):

That the word "now" be left out, and the words "this day six months" added at the end of the question.

I have listened with interest to the debate thus far, and the opinions put forward by the mover and seconder of the motion for second reading. The mover has said that this bill represents a mild form of gambling, and the seconder assured us that the province of Quebec is very strongly in favour of the measure—

Mr. BOURASSA: Not all of it, please.

Mr. CASGRAIN: And British Columbia also.

Mr. CARMICHAEL: The statement of one hon. member was that a very large section of opinion across Canada was back of the bill, and I say that in that statement he is not correct. The hon. member for Dorchester (Mr. Gagnon) reviewed the history of lotteries in England. I noticed however that he did not follow that history all the way through. He began at the right date, namely in the year 1569, in the days of Queen Elizabeth. She had to have money to pay for her expensive wardrobe and to keep up expenses of a very extravagant court. Having exhausted means of taxation for raising money she resorted to lotteries, and as he intimated lotteries were kept up in England for a period of about two hundred and fifty years. Large sums of money were raised at times to support the national government. But the time came when the people of England, which had then become the United Kingdom of England and Scotland, including Wales, thought that from a national viewpoint it would be better not to have lotteries. In the year 1823 the sale of lottery tickets was made illegal in England, and in 1826 lotteries were finally abolished. So that from 1826 to the present date there have not been lotteries in England. It is true that a few years ago, following the heavy expenditures necessitated by the war, and the desire on the part of some people in the United Kingdom to raise much needed moneys, there was an agitation on the part of a minority again to resort to lotteries in England for purposes of raising money. This suggestion was perhaps put forward because of the situation existing in the Irish Free State where lotteries have been in vogue since 1930. Because of this agitation the question came before the parliament of the United Kingdom. The Britisher with his traditional carefulness and caution did not rush immediately into the establishment of a system of lotteries. He took a sensible course and on June 4, 1932, the British parliament appointed a royal commission composed of twelve members under the chairmanship of Sir Sidney Arthur Taylor Rowlatt. This commission was designated "to inquire into the existing law and the practice thereunder relating to lotteries, betting and gambling and cognate matters and report as to what changes if any were desirable and practicable." This commission held a number of meetings, it called witnesses and took evidence from persons representing the following organizations: The police of the metropolis, the chief constables of various cities, the Jockey Club, the National Hunt committee, the National Greyhound Racing Society, the hospitals, the British Charities Association, the Church of Scotland, the Scottish National League Against Betting and Gambling, the Salvation Army, the police courts, the Christian Social Council, the Charity Organization Society, the Post Office, the Scottish and Welsh Football Association, the Gaming Laws Reform Association, the newspapers, the National Bookmakers' Protection Association, the National Sporting League, the Association of Municipal Corporations, the Convention of Royal Burghs. Sir Josiah Stamp also appeared before the

commission. They made their final report on June 1, 1933, which reads in part:

Lotteries. General conclusions. The institution of large lotteries in this country is not recommended. Such a step is undesirable in itself and unlikely to assist very materially in suppressing the sale in this country of tickets in lotteries promoted elsewhere. If it should be decided to permit the institution of any large lottery in this country (a step which is not recommended), the least objectionable form of lottery is a state lottery for the benefit of the exchequer.

The existing general prohibition in this country of all lotteries, whether promoted here or abroad, should be maintained, subject to the exemptions referred to below, and the law against foreign and illegal lotteries should be strengthened.

That is just part of the report made by the royal commission. Following up that recommendation I find the following article in the press under date of March 27:

Severe Blow to Irish Sweepstakes
British Government Publishes Terms of New Betting and Lotteries Bill

London, March 27.—A severe blow to lotteries such as the Irish and other sweepstakes is embodied in a new government betting and lotteries bill made public to-night.

The bill would make it illegal, in connection with any lottery in Great Britain or elsewhere, to print, sell, advertise, distribute tickets, or print or publish any description of a lottery or any list of prize winners or winning tickets in one.

The bill would make illegal bringing sweepstakes tickets or any other matter connected with a lottery into this country and would prohibit sending abroad by agents in this country the counterfoils or any money derived from the sale of lottery tickets.

That is the manner in which the United Kingdom has dealt with the agitation for the reestablishment of lotteries. The parliament of the United Kingdom represents a population of approximately 45,000,000 people of the Anglo-Saxon race and I think we in Canada with a population of a little over 10,000,000 might follow the experience and practice of the United Kingdom.

Reference was made to the United States by a previous speaker but unfortunately there is nothing in that country to substantiate the establishment of lotteries in Canada. Back in the eighteenth century they did have lotteries in the United States. Practically every state in the union engaged in some sort of lottery for the raising of money. They raised money for church purposes, for the building of bridges, to help poor people whose buildings had been burned and for almost every conceivable reason. In 1777 the United States congress attempted to raise money for national purposes by this method. In 1833 a society was formed to point out to the inhabitants of the United States the evils in connection with lotteries and in the following year, 1834, legislation was passed which prohibited the practice of lotteries in all the states and territories of the United States. The last state to engage in lotteries was Louisiana but in 1890 an act of congress was passed forbidding the use of the United States mails to this lottery. The lottery was then moved to Honduras but because of corruption and crookedness it has not been a success since that time. Since 1890 there have been no lotteries carried on in the United States territory. The Encyclopædia Britannica states that lotteries were suppressed in Belgium in 1830, in Sweden in 1841 and in Switzerland in 1865. It states that lotteries were made illegal in Alaska in 1899, in Hawaii in 1900 and in Porto Rico in 1902. Japan, a country of almost 65,000,000 people, forbids lotteries absolutely.

Perhaps the strongest argument advanced at this and at the last session is the experiment of the Irish Free State. This comparatively small country with a population of about three million people started this experiment on June 4, 1930, when they passed the Public Charitable Hospitals Act. That legislation was to expire automatically on July 1, 1934, but I have been unable to obtain any information from the library as to whether it has been extended. If it has not been extended the act authorizing the present lottery will expire on July 1 next. I was surprised to hear the sponsor of this bill state that the receipts accruing to the hospitals in the Irish Free State were only 17·99 per cent of the total moneys received. The hon. member attempted to convince the house that that was a very good proportion. He calls it good business when less than 18 per cent of the proceeds finds its way into the coffers of the hospitals. I fear the hon. member for Cariboo (Mr. Fraser) was not very sincere when he stated that that was good business. That percentage is just a little lower than what I had figured out myself as I had it in the neighbourhood of twenty per cent. The magazine "Truth" of London for June 14, 1933, states that out of a total of £3,101,321, only £387,665 got into the coffers of the hospitals. That figures out to about twelve and a half per cent. The reason why this percentage is so small is the tax of one-half imposed by the Irish Free State on the amounts available for the hospitals. The Irish Free State took one-half of the receipts and gave

the hospitals the balance, which amounted to 12½ per cent.

Mr. BOURASSA: Who got the 75 per cent?

Mr. CARMICHAEL: It went in prizes, expenses, advertising and such like. It was distributed over a large area, no doubt. I have just been looking at the experience of other countries in connection with lotteries.

There has been nothing said here in connection with the moral side of this question. I recognize the truth of the statement made by the hon. Secretary of State (Mr. Cahan) that what might be a moral idea to one is not so to another, that what one person might consider a moral wrong, another person might look upon as being quite morally correct. The good old Book itself tells us that "the love of money"—not money—"is the root of all evil." Money of itself is not necessarily an evil, but the Book does say that the love of money is the root of all evil. It seems to me, Mr. Speaker, that right there we touch the underlying cause and desire for sweepstakes legislation. There is an inordinate desire on the part of a number of people to get money. They have perhaps an inordinate love for that root of all evil. They desire to get the money without working for it, and so they take a long gambling chance in the hope, though the hope is perhaps only one in two hundred thousand, that by investing two or three or five dollars they will get a great amount of gain. Of course that is gambling, and it seems to me that that is something that this parliament of Canada should not encourage. The fact that an occasional person does gamble is not an argument that we should throw the doors open and make it legal for such persons to gamble and for others to join in with them. That would surely be moving in the wrong direction. That good old Book that I quoted from tells us that "righteousness exalteth a nation," and this practice of gambling and its encouragement by this parliament would be the very antithesis of righteousness. Nineteen hundred years ago an event transpired outside the city of Jerusalem which is an outstanding event in world history. At that time those who were the enemies of the Man of Galilee took part in a lottery. We are told that they divided his clothes among them, but for his coat they cast lots. They were the enemies of the Man of Galilee; I would just like to stress that point. I am not saying that all who take that view are His enemies, but on that occasion that is what happened. His enemies cast lots for His garment. That perhaps is why we have religious organizations such as the Presbytery of Ottawa of the United Church of Canada passing a resolution along this line:

> That this presbytery of Ottawa of the United Church of Canada desires to register a considered and emphatic protest against the sweepstakes bill recently passed by the Senate of Canada, and soon to be submitted in the House of Commons.
>
> We are confident that the responsible representatives of the Canadian electorate in the House of Commons will reject this measure.

The Archbishop of the Anglican church has spoken similarly. In his charge to the members of the Synod of the Anglican diocese of Ottawa—I quote:

> His Grace Archbishop J. C. Roper declared himself emphatically as being opposed to the legalization of hospital sweepstakes in Canada. Sweepstakes have promoted widespread gambling which is already too prevalent, the Archbishop of Ottawa and Metropolitan of the Ecclesiastical province of Ontario stated.

The Anglican Synod in another resolution also endorsed the strong stand taken by Archbishop Roper against the legalization of sweepstakes and lotteries for hospital or other purposes. A great many similar resolutions could be read to the house, Mr. Speaker, but those perhaps are sufficient.

Instead of this chamber following along the lines suggested and legalizing all sweepstakes, it seems to me it is time for us to make a little more restrictive the prohibitory legislation in regard to lotteries. We might perhaps take a leaf out of the report of the British commission and tighten up the legislation in regard to the advertising and newspaper publicity given to lotteries, with its tendency to educate public opinion in favour of lotteries.

I think, Mr. Speaker, that I have perhaps covered enough points in connection with this matter, and I now move the amendment which I have submitted to you. May I have the amendment read, Mr. Speaker?

The ACTING SPEAKER (Mr. Sullivan): It is moved by Mr. Carmichael, seconded by Mr. Speakman, that the motion that this bill be now read a second time be amended by leaving out the word "now" and adding the words "this day six months" at the end of the question.

The question is on the amendment.

Hon. MAURICE DUPRE (Solicitor General): Mr. Speaker, the opinion I humbly wish to express is my personal opinion only, and I shall be very short. I want to speak in favour of the principle of this bill. It has been said of lotteries that they are a tax on all the fools in creation. That in

my opinion is the best argument to demonstrate that every lottery, if well conducted, must be a success.

I have listened with a great deal of interest to the speech delivered a few moments ago by my hon. friend from Kindersley (Mr. Carmichael), and I noted what he said on the expense and abuses of lotteries. I do not deny his statements but it must be remembered that, all told, from fifteen to twenty countries already have lotteries which seem to be working satisfactorily. May I remind my hon. friend from Kindersley that the profit from the French lottery, for instance, was more than $140,000,000 in one year. Sweden has a lottery, so have Panama and Mexico. Spain has a $25,000,000 lottery. We find lotteries also in Cuba, Belgium, and Italy, where the lottery brings in a profit amounting to $40,000,000. Germany recently organized a lottery to take care of unemployment. There are state lotteries also in Czechoslovakia, Turkey and a few other countries.

Coming to the British Empire, we have the lotteries in the Irish Free State and in India. Once lotteries were permitted in England, and even now under a new law they are tolerated on a small scale, although with many restrictions. We find lotteries in New South Wales, whose one hundredth lottery was drawn recently with a total profit of $7,500,000. Australia has its state lotteries which have enabled the Australian government to provide baby clinics, child welfare centres, and dental services for children and the unemployed.

Gambling in lotteries does not differ very much in principle from gambling on the stock exchange or in cards or on races and as Senator Molloy said humorously a few weeks ago in regard to this bill: "This is a poor man's bill. It gives him his stock exchange, his grain exchange and his mining exchange."

I do not wish to comment on the valuable opinion of such a distinguished jurist as my colleague the Secretary of State (Mr. Cahan). What he has said must, I think, be considered very carefully. Could we not though find a way out of the problem by abolishing the restriction in our criminal code in regard to the subject of lotteries?

Should we refuse any province the right to raise new revenues to take care of its hospitals or charitable institutions when that province unanimously makes such an appeal? I think such a request should be granted and the benefit should be extended also to universities and other educational establishments. If, as the hon. member for Dorchester (Mr. Gagnon) said a moment ago, the hon. member for Berthier-Maskinonge (Mr. Barrette) comes along with an amendment to include universities and other educational establishments, I shall be very glad to vote in favour of it.

By clauses 4 and 5 of this bill the operation of sweepstakes would be limited within the province which decides to conduct such sweepstakes.

May I congratulate the mover of the bill, the hon. member for Cariboo (Mr. Fraser) and the seconder, the hon. member for Dorchester?

I suggest that lotteries might be considered as a special measure which can be justified by the abnormal conditions through which we are passing?

May I venture one suggestion: Let us try this for one year only?

Like the premier of Quebec and the hon. member for Dorchester I would prefer a federal lottery by drawing of lots. We should have one federal lottery and not a multiplicity of provincial ones. For instance, the federal government might allow a lottery to take place once or twice a year, the profits to be retained in part by the federal exchequer, the other part to be distributed among the provinces on a per capita basis and the provinces to distribute those moneys as they deem advisable. I do not think many provinces will refuse their share on the ground that lotteries are more or less immoral. If this bill does not pass—I do not know what is ahead of us—might not the following suggestion be considered?

(a) A referendum on lotteries to be held this summer by the federal government.

If the referendum, as I surmise it will be, is favourable to lotteries:

(b) A national lottery by drawing of lots, not depending upon the result of races here or abroad could be held by the federal government in the fall—and if it is successful, a second lottery could be held next winter or next spring—the proceeds to be divided among the federal and provincial governments. As a consequence the federal and provincial coffers would be all the richer by an amount varying between $20,000,000 and $40,000,000.

To sum up, I am in favour of lotteries:

1. To keep our money in this country and to cause millions of dollars from other countries to come into Canada.

2. To take to a certain extent the place of taxation. I should call a lottery the best mode of taxation. It is a voluntary or self-imposed taxation.

3. Because it would stop this general disobedience to our laws, something which to my mind is depressing and dangerous.

4. As a temporary measure and an expedient in these abnormal times to bring millions into the federal and provincial exchequers.

Hon. FERNAND RINFRET (St. James): Mr. Speaker, in the first place I want to express the hope that the stand taken by the Secretary of State (Mr. Cahan), although very commendable, I am sure, from many angles, will not confuse the issue before the house. We are dealing with a bill to permit the establishment of lotteries. This measure may not be perfect; it may stand amending when we reach the committee stage, but the government has very readily given the house an opportunity to pronounce not so much on every detail of this bill as on the question of lotteries in general.

My first word is to express the hope that when we vote on the amendment and the second reading of the bill we shall vote for or against the establishment of lotteries, leaving to the committee stage the objections raised by the Secretary of State. He has not convinced me that the bill is not proper. In the first place, it does not deal so much with the maintenance of hospitals as with authorizing provinces to establish lotteries. They might do this for another purpose. When we reach the hospital clause, we might change that altogether, but I repeat that the main purpose of the bill is to authorize the establishment of lotteries and this should not be lost sight of. The Secretary of State has also sought to show that there might be a conflict with the criminal code. The bill as drafted and passed in the Senate covers that feature of the matter. In clause 2 there is a reservation which is quite clear; it states:

Notwithstanding any law to the contrary and notwithstanding anything to the contrary contained in any other act.

Then we have clause 8 which states:

The provisions of the criminal code respecting betting, pool selling, bookmaking and lotteries, shall not apply to any hospital sweepstakes authorized under the provisions of this act.

Therefore it seems as if the objections had been foreseen by the Senate and had been dealt with, but even if they had not been dealt with properly, may I express the hope that these objections do not confuse the issue when we have to vote on the amendment and on the second reading, and that the house shall register its vote for or against lotteries which is the main purpose of setting this day for a discussion of the bill at present before us.

We have already had exhaustive speeches on the bill by the proposer and seconder and other members, and many figures have been quoted. I do not intend to set a rule for the house but I shall set a rule for myself and be content with presenting in a few sentences the arguments which I think are in favour of a measure of this kind.

In the first place I do not see that there is anything immoral about a lottery. Everyone is free to dispose of his money as he sees fit. It has been argued that life itself is a vast gamble. Whether you invest your money in trade or the stock exchange or any other avenue of activity you certainly take a chance, and I do not think there is anything wrong in principle in placing a little money in a lottery. I will go further. In years of depression such as we are going through there is something to be said in favour of allowing a poor fellow to introduce into his life that element of hope and ambition that comes to him by placing a little money in a lottery. Naturally it is only a small proportion who will win, but there is something, I say it very seriously, in having everyone enjoy for a little while the hope of gaining something. If they do not succeed this time they may try again. We should not seek to establish life and social activity on the basis of everyone getting so much a week and having no hope of improving on that. I have stated my views on several proposals of this kind since I have been in the house. I think it is very much like betting or things of that kind; the individual should have the enjoyment of his money, even being free to lose it if he chooses, provided he is not defrauded and provided that the contract, whether it be a lottery or something else, is properly controlled by the state.

It has been shown that many countries have established lotteries; in fact the debate has been in part an interesting course in history, from Egypt and ancient Palestine up to this day. The substance of what we have heard this afternoon is that there is certainly nothing wrong with lotteries so far as the principle is concerned, because quite a large number of countries have tried it. Some have kept it, others have not; but the fact is that lotteries have been experimented with by so many countries in so many different times in our history that we may well argue that there is nothing wrong about the idea and that it is worth trying. At the

present time we have them in the British Empire, as has been stated by former speakers, especially in Ireland. We all know that, because there is hardly a member of this house who has not got a friend with a ticket on one or two of these British Empire lotteries in his pocket; the Irish and the Calcutta sweepstakes have been very popular. So far as I am concerned I have none and do not intend to buy any until it is legalized; I do not want to be misunderstood as to that. But the fact that these lotteries exist in certain countries is certainly an argument in favour of them.

I hasten to the last part of my speech to make good my promise at the beginning. There are two special reasons which should favour the establishment of lotteries at the present time. The first is the great need of money by all our public corporations. Taxes have reached the limit; you cannot indefinitely increase income or excise tax or any other tax of the kind. I have been through a municipal experiment which convinced me that money is needed in many fields of public activity, yet we do not know where to get it. There is not the least doubt in my mind that there are still many people in this country who evade taxes in one way and another; the character of their business permits them to do that, it being such that the government cannot lay their hands on it. They are the gamblers, and the very people who will buy lottery tickets and buy them in large quantity.

Then as has been said, the purchase of lottery tickets is a voluntary contribution. The contention that part of the money is lost and does not reach the desired end is in my opinion not a valid argument. That condition you have everywhere where money is collected for charitable purposes. Even under the system of the federation of charities, which has become very popular in our large cities, a percentage of the amount collected must be set aside for the collection and administration of the funds so obtained. And what about the euchres, concerts, banquets, all these activities for so-called charitable purposes, in which sometimes seventy-five per cent of the receipts is spent on the very evening they take place? You cannot hold any of these things without most of the money derived being spent on the very evening, and perhaps only fifteen or twenty per cent remaining for the original purpose; yet we subscribe largely to them. With a lottery, even if you have to set aside a considerable percentage for prizes and cost of administration, a large proportion will be left to go to the institutions to be benefited, as has been shown in the countries that have made the experiment.

Then there is another argument, perhaps an even stronger one. It is the one that was advanced in favour of doing away with prohibition—the fact that prohibition—in this case of lotteries—is not being obeyed by the public. It is not popular, and as has been said, you cannot enforce a law against popular opinion. I am told on reliable authority that millions of dollars go from the several provinces of Canada, I think from all provinces, for the purchase of tickets in lotteries held in other countries,—the Irish sweepstakes, the Calcutta sweepstakes, and the national lottery in France when it is in operation. So that the question for us to decide to-day is not so much whether we are in favour of lotteries; for we have the lotteries with us. They may be illicit, but the public authorities are powerless to prevent people from patronizing them. So what we have to decide to-day is whether we want a Canadian lottery, or the continued support in Canada of the Irish or Calcutta lotteries. That is my viewpoint. That is one of the reasons why I shall vote against the six month's hoist and for the second reading of the bill.

I just want to add this. I might have preferred a national lottery, as mentioned by the Hon. Mr. Taschereau in his speech and by several hon. members here to-day. It would probably avoid the objections raised by the Secretary of State (Mr. Cahan). But as we realize that several provinces probably are not as much in favour of such a lottery as others, I think it would be more consistent with the spirit of confederation to pass a bill which would allow every province to deal with the matter as it wishes. If Quebec wants a lottery, under this bill it could establish one. If British Columbia wants a lottery it could establish one. If some other province does not want a lottery it does not have to follow suit. For all these reasons—and I will not extend my remarks; I promised they would be brief—I shall vote against the amendment and in favour of the second reading. I hope that notwithstanding the several objections raised by hon. members, including the Secretary of State, the issue will not be confused in the minds of hon. members. Let us vote on the second reading for or against the establishment of lotteries; then if the bill passes, as I hope it will, we can amend it in committee and make it as good as possible.

Mr. H. A. MULLINS (Marquette): Mr. Speaker, I am going to take only a short time, but I want to put myself on record as being absolutely opposed to this bill. We have had enough gambling all over Canada in the past, and to me it is not right to get money in the way proposed by this bill. I am a life governor of a hospital; we do not want any such money included with our donations. I do not care whether the proposition comes from Louisiana, Quebec, Italy, Germany, or any other place; it is not legitimate money, and God knows that Canada has had enough gambling. We have seen gambling on the stock exchanges, that is what put the country in the position we find it in to-day.

A short time ago I went into the northern part of my constituency to visit some of my old friends who operate small farms there. They have made homes for themselves away from the temptations of the stock ticker and out of reach of the lures of high pressure salesmen of watered stocks and lottery tickets. There I discovered a people who have found economic security, who have time to read good books and to meditate on what they see in the daily newspapers. It needs people of that kind to build a country, and you will not get anywhere by gambling. It is known that many cases of want and poverty throughout this country have been caused by speculation, by people wanting to get rich too quickly. I am sorry that I must take issue with my hon. friends, but I have decided that money obtained by gambling in stocks or the buying of lottery tickets is not good money. I know we have sent millions of dollars to New York and other places, but that does not make it right. The hon. member for Temiscouata (Mr. Pouliot) has sent me a note; some time I will talk to him about the subject to which he refers.

I am absolutely opposed to this bill; I cannot support it or anything like it that will affect my constituency and my province and country. In this letter from the Good Fellowship Association of Toronto I see no reference to the province of Manitoba, for which I am thankful. The signer of that letter is an old pioneer from Manitoba, now a resident of Toronto; he has asked me to support this bill. I am sorry that he signed the letter, and I am sorry that I must refuse his request. I think we have had sufficient experience in this country to know what results from speculation and gambling. All you have to do is go down the street and sit in the offices of the stock brokers and watch the ladies who are carried away by speculation. Those I mentioned when speaking the other day were not mothers or homebuilders. They have been carried away by speculation and gambling, and anything we can do in this house to correct that situation should be done. I would say that the man who is peddling tickets around this building should be put out. I have seen a man selling sweepstake tickets in this House of Commons. I have never bought one; I do not want to get money in that way. The only way to get money is by hard work, and the sooner Canada gets rid of the gambling spirit and buckles down to work the better it will be.

Mr. J. S. WOODSWORTH (Winnipeg North Centre): Mr. Speaker, there are one or two points I should like to emphasize. I quite agree with the hon. member for Cariboo (Mr. Fraser) that in the speculative transactions on the stock exchange, the grain exchange and the mining exchanges we have the same reprehensible practices that are denounced when we come to so called gambling. Further than that, it always has seemed to me an extraordinary thing that we should exempt race track gambling from the criminal code and that lotteries held for charitable purposes should be excluded as well. It seems to me that if gambling is anti-social in its character it is not improved because the gains go to church purposes, and on the other hand it does not seem to me that the man who can afford to go to a horse race should be able to gamble while the poor little fellow who cannot afford to go should be penalized.

There is one other matter on which I agree with those who have introduced this bill; that is with regard to the present regulations. I think it is absolutely abhorrent to all justice and decency that we should give the prize to an informer. I hope that at this session of parliament that provision of the criminal code will be changed. If there is anything wrong with gambling the prize should go to the state and not to the "hypocrite," as someone has called him, though I think that term is inadequate to describe him.

There is a very interesting question that has been introduced, and I think perhaps the hon. member for Dorchester (Mr. Gagnon) was not quite fair in his presentation of the case. Undoubtedly people differ greatly in what they think right and wrong. The hon. gentleman rather laughed at those who believe in prohibition; he was rather inclined to resent the superior morality affected by some people who denounce certain practices of which he approves. Well, there are two sides to that question. Just for the purpose

of illustration, because I do not want to discuss the question, let me point out that a very large number of organizations in western Canada, some of them very reputable women's organizations, to-day are pressing for the right to disseminate birth control information. You cannot say that those people are immoral, yet I venture to say that if I were to introduce a bill making it quite legal to disseminate birth control information there would be a decided protest from a large number of the members of this house on the ground that such a practice would be immoral. Or again, supposing Alberta asks for general legislation permitting sterilization of the unfit, are hon. members in this house, some of whom have spoken in advocacy of this measure now before us, going to take the ground that if Alberta wishes to do that she has a perfect right to, no matter whether or not the rest of the country wishes to introduce measures of that kind. I think hon. members must remember when they are making the plea that certain sections of the country should have the right to any action they wish, whether other sections wish it or not, that that argument may be turned against them, and will be turned against them before very long.

I believe it was the hon. member for Dorchester who said that we might be able to do legally what is not being done legally to-day. The hon. member stated that the regime of prohibition was a regime of hypocrisy. Well, again, I would say that with regard to birth control and some other matters reprobated by certain sections of this house, under the present regime there is being done illegally that which, if certain parts of the criminal code were rescinded, might be done legally, and that the present regime is indeed a regime of hypocrisy.

I should like to point out that once we start in this direction there is no line to be drawn. If these moneys could be used to help hospitals, then also they could be used to help universities. If they are a good thing to help universities, I do not see why we should not carry on the whole business of government in that way. There is no end to it; I think that is a correct statement. We might organize ourselves on a vast lottery scheme. In fact, I do not know why it should be desirable for any of us to go on trying any longer to make an honest living. Why should not everybody get into this game? There is really no line which could be drawn. It is useless for us to go back and talk about the example set by the Egyptians and the Romans. They did a host of things which we would not countenance to-day, and I do not think that those precedents are any argument in favour of the introduction of a system of sweepstakes into this country.

Further than that, in passing I should like to protest against upholding the action of the Senate as action which necessarily we ought to follow. The reference may have been made facetiously, but speaking seriously I must say that I refuse to admit that the Senators are any wiser than the members of the House of Commons. We are asked in the bill to permit the raising of money by sweepstakes in order that the sick may be cared for. God pity the sick if we have to come to this way of looking after them. It is said that this is a voluntary tax. That is the very reason I am opposed to it. We are also told that it is the poor man's chance to gamble. This bill means that the poor man is going to be taxed in an involuntary way to support, first, our hospitals, and later on our educational and perhaps our governmental institutions. I do not believe in that procedure. I am irrevocably opposed to that principle. If any man should be taxed it is the man of wealth who ought to be taxed to look after the poor and the sick. There is not the slightest doubt—

Mr. ST-PERE: That same chap may make big bets.

Mr. WOODSWORTH: Yes, but that is another matter. I say he ought to contribute his tax in a legal manner, and not in this casual way, to the care of the sick. I think that when we put these matters on such a basis we are off on the wrong line altogether. Even the Solicitor General—and this appears most strange when we realize that he is a member of the government—went the length of suggesting that because of the present emergency we should raise some of the governmental expenses in this way. Well, I knew that the government was in a bad way. I recognize the fact that last year and again this year the government had to borrow money in order to balance its budget, but I did not realize that it was quite so badly off that a member of the government would have to rise in this house and state that we should go into the gambling business, and that that is the only way left to raise money to carry on the affairs of government.

The most fundamental objection I have to this kind of legislation is essentially that it is an encouragement of the propensity to get

money for nothing. It is not merely a question of taking a chance now and then. We must understand that if we get something in this way, someone else must go without; it comes out of the pocket of someone else. I was very glad to hear the note of reality introduced by the hon. member for Marquette (Mr. Mullins). After all, we in this country come of pioneer stock. We have been told that the way to gain wealth is by honest toil. Surely we have been brought up to believe that. I quite frankly admit that the greater part of the wealth in this country has not been gained by honest toil. I say that under the conditions which are being revealed in the committee on price spreads we are learning that a great deal of wealth has been built up through the possession of special privileges of various kinds. No doubt that is only too true, but at the same time I should like to cherish the old tradition that the way to gain wealth is by honest toil. One hon. member went so far a few moments ago as to say that he thought it was a splendid thing that occasionally the ordinary poor man should be given a chance to make a bet, in order that he might possibly get something in life worth living for. It is that kind of thing which leads me to protest against a measure of this kind. I say we ought so to organize the industrial life of Canada that in the ordinary course of events the ordinary working man would get a chance to make a decent living, without having to resort to the off chance of getting something through gambling operations. That is the real point.

Mr. ST-PERE: There is a difference between betting and gambling.

Mr. WOODSWORTH: I shall let my hon. friend explain it.

Mr. ST-PERE: I will explain it.

Mr. WOODSWORTH: I wish to point out one fundamental difficulty with this kind of thing. I do not wish to discriminate between rich men and poor men. If the rich man has a right to gamble, most assuredly the poor man has the same right. But I do say that this kind of thing is being introduced in order that the poor man will be placed in the position whereby involuntarily he will be taxed, and further that a very small proportion of the taxation will go to the ostensible purposes for which the legislation is introduced.

There is the even more serious consideration, that we are diverting the minds of our people from real values in life, and emphasizing the view that it is only those who can get something for nothing who can get on in the world. I should like to see the labouring man adopt some other means of attaining the good things of life than by taking a remote chance, and paying five cents, ten cents or a dollar for some sort of a ticket. I should like to see it possible for a man adequately to care for his family, or for anyone who may be in the hospital, without resort to any such method as this. I should like to see it possible for any man to have an automobile, if he wishes to have it, without having to place his little bit of earnings into some such scheme as this.

For those reasons I must support the amendment providing for six months' hoist.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

PRIVATE BILLS

CONSIDERED IN COMMITTEE—THIRD READING

Bill No. 16, respecting the Canadian Pacific Railway Company—Mr. Davies.

HOSPITAL SWEEPSTAKES

BILL TO LEGALIZE LOTTERIES WHEN CONDUCTED BY PROVINCES

The house resumed consideration of the motion of Mr. Fraser for the second reading of Bill No. 56, with respect to hospital sweepstakes.

Hon. HUGH GUTHRIE (Minister of Justice): I desire to make a few observations on the bill now before the house—

Mr. MACKENZIE (Vancouver): I do not want to interrupt my hon. friend, but private bills have not all been disposed of.

Mr. GUTHRIE: This is a private bill.

Mr. CASGRAIN: On the point of order raised by the hon. member for Vancouver Centre (Mr. Mackenzie), although to-day has been fixed for the consideration of Bill No. 56, this bill has been considered all afternoon and I understand it will be considered again after nine o'clock. But there is another bill standing in my name, Bill No. 83, to amend the criminal code, which should be called for discussion until nine o'clock.

Mr. SPEAKER: Bill No. 56 was considered this afternoon by special consent and it has now been reached in the ordinary course of business under the heading of private and public bills.

Mr. MACKENZIE (Vancouver): My point of order was that we would automatically revert to the consideration of Bill No. 56 at nine o'clock, but that this should not deprive the sponsor of Bill No. 83 of the right to take advantage of the hour allotted to private bills.

Mr. BENNETT: We have reached this bill and we are going ahead with it. Special facilities were provided for its consideration before nine o'clock, but it has now been reached in its place as a private bill. We are proceeding with the discussion of a bill which is rightfully before the house.

Mr. SPEAKER: My ruling is that Bill No. 56 has been reached in due course and is now properly before the house. As to whether the discussion will continue after nine o'clock is a matter of consent.

Mr. GUTHRIE: I desire to make a few observations with regard to the bill passed by the Senate intituled, "an act with respect to hospital sweepstakes."

At the outset may I say that I do not propose to discuss this measure from the moral point of view; any remarks I may make will deal with the legal and economic aspects of the proposal. I realize that a formidable constitutional objection was launched against this measure this afternoon when the Secretary of State (Mr. Cahan) elaborated the matter. I do not propose to touch upon that phase of the matter although I realize the objection is a formidable one. To my mind the legal and economic aspects of the proposed measure present very grave difficulties. After giving the matter the very fullest consideration which I could bestow upon it I have come to the conclusion that it is not a bill which should be advanced in this house, and I for one, expressing only my own opinion in regard to it, am prepared to vote for the amendment moved this afternoon that the bill be not now read a second time but be read this day six months.

It is true that his bill to authorize sweepstakes in the Dominion of Canada has come to us in what I might describe as a seeming garb of righteousness. It relies to a marked extent upon the charitable atmosphere which the sponsors of the bill have sought to create around it. We are all aware of the old saying that charity covers a multitude of sins, and I think, Mr. Speaker, that the charitable element has been dragged into this debate for the purpose of giving the measure a more favourable status in the opinion of hon. members of this house.

[Mr. Speaker.]

My hon. friend the Solicitor General (Mr. Dupré) this afternoon, in an able speech, supported this measure. During his remarks I noticed that he quoted from a very ancient verse in regard to lotteries which I think I might quote in full. He quoted but a single line of the verse. It is a verse from an old song composed by Henry Fielding the great novelist and playwright in the year 1732. The verse runs thus:

> A lottery is a taxation
> Upon all the fools in creation;
> And heaven be praised,
> It is easily raised,
> Credulity's always in fashion
> For folly's a fund,
> Will never lose ground,
> While fools are so rife in the nation.

There is, as a matter of fact, a long and interesting history in connection with the subject of lotteries. This afternoon the hon. member for Kindersley (Mr. Carmichael) referred to one biblical incident which is related in the New Testament, but I think one is safe in saying that lotteries in one form or another have existed in the world since the earliest days of civilization. It may be of interest to know that in the Book of Leviticus, in the sixteenth chapter you will find this: "And Aaron shall cast lots for the two goats; one lot for the Lord, and the other lot for the scapegoat." Again in the Book of Numbers, chapter 26, we find that Moses divided the lands on the west of the Jordan between the Israelites by lot.

Those are very ancient precedents for lotteries. Certainly lotteries existed during the early days of the Christian era, and spread throughout Europe during the middle ages. I do not think they were seriously considered in England until the days of Queen Elizabeth, when the first great lottery was launched under the name of the Queen's lottery, and a tremendous effort was made by all officials of the kingdom to make that lottery a success. Special proclamations were issued by the Queen commanding all the knights of the shires, the lords lieutenant and magistrates to further the sale of lottery tickets for the Queen's lottery. That lottery was to provide money for the improvement of harbours and matters of that kind. It was launched with the idea of raising £200,000, a very considerable fund in those days, but it happened that only about one-twelfth of the tickets were actually sold. Some 34,000 were disposed of at ten shillings apiece. The result was a tremendous disappointment to the people of that day. But, nothing daunted, lotteries seemed to spring up in Great Britain with great regularity in subsequent years.

There followed the Virginian lottery in 1615 to aid the settlers in Virginia. In 1635 there was carried through the London Aqueduct lottery, to carry water to London. But in 1699 an act was passed for the suppression of private lotteries. The lotteries which I have heretofore named, with the exception of Queen Elizabeth's lottery were all in the nature of private lotteries.

Then in the United States lotteries took serious hold on the populace. There were a great many lotteries. Even Yale held a lottery in 1750 to assist the building fund of Yale university. Again in 1772 Harvard sponsored a lottery to raise $18,000 for Staughton Hall in connection with Harvard university.

Lotteries, however, definitely passed from private control after the statute was passed in Great Britain in 1699. After 1699 the only authority to carry on lotteries in Great Britain was vested in the government itself. Other lotteries were strictly prohibited. For a number of years, from 1694 to 1768, a regular system of state lotteries was instituted in England, and there were conducted during that period no less than 126 of these state lotteries, with prizes and annuities attached to the sale of British consols. This practice continued until the year 1820. At that time I fancy, from what I have read, the government itself became somewhat alarmed over the situation which had arisen, through the operation of state lotteries. They began to feel that lotteries were economically unsound. It was also realized that lotteries were in their operation somewhat demoralizing on the populace. In the year 1823 the system of state lotteries was formally abandoned in Great Britain and the Lord Chancellor announced that after the year 1823 only one state lottery should be permitted. They were then to cease.

In the evidence taken before the British royal commission during the past year on the subject of lotteries, gaming, betting and the like, one of the witnesses examined was Sir Josiah Stamp, who is certainly recognized as one of the leading economists of the world. In his evidence before that commission he refers expressly to the language of the Lord Chancellor in the year 1823 when the announcement was made that no more lotteries should be permitted in Great Britain. Sir Josiah Stamp said in his evidence:

> The Chancellor of the Exchequer had said that, although he had condemned the lottery, he was going to have just one more. Somebody got up and said, surely he could make up his mind to end this moral pestilence: that was the word he used. That stuck in my mind, many years ago, when reading it.

I think it is clear that the experience of state lotteries in Great Britain was anything but satisfactory. The operation of lotteries had resulted in the moral degradation of the people and economically lotteries were not considered to be sound.

From that time forward lotteries were not permitted in Great Britain. In 1836 an act was passed to prohibit the advertising of foreign lotteries. In 1837 the Art Union of London organized a society for the disposal of works of art and were permitted to conduct small lotteries for that express purpose. That act was further enlarged by an act passed in 1846 and as a result the Art Union of Great Britain and the Art Union of London are still permitted to carry on small lotteries notwithstanding the provisions of British or Canadian statutes against lotteries in general.

The question of what is a lottery has come up for decision in England on a number of occasions. Doctor Johnson in his dictionary defines a lottery as follows:

> A lottery is a distribution of prizes by chance.

But the definition of a lottery which has been adopted by both judges and the recent commission in England is that of the American lexicographer Noah Webster, who defines a lottery as follows:

> A lottery is a distribution of prizes by lot or chance.

And this definition has been expressly approved in the leading law case on the subject, the case of Taylor and Smetton, the judgment being given by Mr. Justice Hawkins who was an authority in regard to such matters.

Since 1824 no legal lotteries have been conducted in England except in regard to art unions. The sale of tickets for foreign lotteries, including the Irish sweepstakes, has certainly given rise to a feeling in England that perhaps the law should be modified, and a demand has arisen in very influential quarters for some amelioration of the situation, some loosening of the law in respect of lotteries; demands have been made from time to time in the British parliament for amendments to the present law. Many bills have been introduced but none of them have successfully passed through the British house. In 1933 the British government undertook to make a very full and complete inquiry into not only the subject of lotteries, but betting, gambling and cognate matters, and the commission issued on that occasion was very broad and comprehensive in its terms.

Mr. DUPUIS: May I ask whether the commission also included stock exchanges?

Mr. GUTHRIE: I am going to read the commission so that my hon. friend will have full information. The commission consisted of some ten persons, and the chairman named was a very able English judge, at that time retired, the Hon. Sir Sidney Arthur Taylor Rowlatt. He had associated with him nine distinguished commissioners. The commission reads as follows:

Whereas we have deemed it expedient that a commission should forthwith issue to inquire into the existing law and the practice thereunder relating to lotteries, betting, gambling and cognate matters, and to report what changes, if any, are deemed practicable.

The commission held a great many sittings. It summoned before it men and women of standing in almost every rank and calling. The evidence taken covers between six and seven hundred printed pages. I do not profess that I have read it all but I have read a great portion of it. Some one hundred and seventy witnesses were summoned, including bankers, merchants, shipping men, railroad men, members of the various religious denominations, prison officials, race track operators, proprietors of racing stables, many of the leading racing men of England, bookmakers, representatives of all lines of sport where betting is permitted. I think every kind of gambling was considered by the commission, and men representative of the various business and sporting interests appeared before it and gave evidence. The conclusion of the commission, if I read it correctly, is to the effect that lotteries constitute a menace to public welfare and are economically unsound. The report of the commission is lengthy, but there are certain parts of it that deal expressly with the question of lotteries, and what we are concerned with at the present time is the views of the commission in regard to the single subject of lotteries. The report sets out at length all the enactments which have ever been passed on the subject by the parliament of Great Britain; it gives a very good historical resumé of the operations of lotteries from the days of Queen Elizabeth down to the present time, and the conclusions of the commission in regard to lotteries are to be found on page 143, section 495. The commissioner's conclusions on this matter are as follows:

1. There is no justification for assuming that there is a sustained or insistent demand in this country for this type of gambling facility.
2. The demand for the legalization of large public lotteries in this country is based upon insufficient appreciation of the difficulties and disadvantages involved.

[Mr. Guthrie.]

3. It is doubtful to what extent an authorized public lottery in this country would put a stop to the sale in this country of Irish sweepstake tickets. It is clear that even if such a lottery were to be authorized, special measures would still have to be enacted to deal with the sale of tickets in lotteries promoted outside Great Britain.
4. The existing law in regard to the sale of tickets in lotteries promoted abroad proved unworkable owing to special causes. There are several measures which can be adopted to bring up to date the law against the sale of foreign lottery tickets, and to make it effective.
5. It is much easier to authorize large public lotteries in this country than to put a stop to such lotteries once they are started.

The commission in its report also finds that there is little or no objection to what it terms small lotteries and it makes no finding as against small lotteries. It deals with small lotteries in section 499 as follows:

We considered the further question whether very small lotteries or prize drawings, in which members of the public generally are invited to purchase tickets, could be exempted from the prohibition of lotteries. It would in any event be necessary to confine the exemption to schemes which complied with the following conditions:—

1. that the scheme is promoted by some institution of a permanent character conducted for purposes not connected with gaming, wagering or lotteries;
2. that the proceeds of the scheme are devoted to some charitable or philanthropic object;
3. that no profit accrues to any person from the promotion or administration of the scheme, and that no commission is paid in respect of the sale of tickets;
4. that no administrative expenses are allowed in connection with the scheme except printing, stationery, and postage;
5. that prizes are in kind and limited in value;
6. that the price of the tickets is limited in value to a few pence.

The commission concludes that there is little or no objection to lotteries of this kind.

Mr. GRAY: Does it mention the art unions?

Mr. GUTHRIE: In many places it does and makes a special exception in regard to art unions in favour of the system now in vogue being continued.

In regard to lotteries for charitable purposes, particularly in aid of hospitals, the finding, if I read it aright, is against the proposal. It points out, as my hon. friend the promoter of this measure in the house did today, that out of the enormous amounts raised by the Irish sweepstakes only between seventeen and eighteen per cent is ever expended upon hospitals. The balance goes in commissions, expenses and one thing and another; so that out of every dollar only eighteen cents goes to the charity. The report states that the

associated hospitals of Great Britain annually receive by way of private donation £15,500,000, between seventy-five and eighty million dollars, and the report points out that if sweepstakes are permitted in aid of hospitals in Great Britain private donors will probably cease to subscribe as heretofore and these institutions will be left for their support at the mercy of those who operate sweepstakes or lotteries for hospitals. Our finding of the commission is that the amount given by private donors will probably fall off from time to time. It points out that private donations to the Irish hospitals in the last five years have fallen off by fifty per cent, and that such will likely be the case in regard to the hospitals of Great Britain if they are allowed to become dependent on funds received through the operation of lotteries.

The commission has brought in certain findings in respect to the criminal law of Great Britain. The law in Great Britain in respect to lotteries is very ancient, some of it going back to the days of the Stuart kings, but most of the prosecutions, when prosecutions take place, are under the acts of 1802 and 1823. But strange to say there is no place in British legislation where any penalty is imposed upon the purchaser of a lottery ticket. In Canada we penalize the purchaser of a lottery ticket under the provisions of the criminal code.

Mr. MACKENZIE (Vancouver): You try to.

Mr. GUTHRIE: There is no penalty under the laws of Great Britain unless a prosecution can be sustained under the old act of 1802 which describes such a man as a rogue and vagabond. There have been a few prosecutions under that old statute, but it is now proposed, in a bill passed by the House of Lords, to adopt practically the same clauses as are found to-day in the criminal code of Canada in respect to lotteries. In England they have, I think, gone one step further than we have. I agree with the comment made this afternoon by some hon. member, I think my hon. friend from Winnipeg North Centre (Mr. Woodsworth), disapproving very strongly of that clause in our criminal code in respect to lotteries which provides that any person may sue for and recover the amount of the prize from anyone who has succeeded in winning a prize.

Mr. DUPUIS: Still more immoral!

Mr. GUTHRIE: I agree that this provision is not an appropriate clause in our criminal law. In the British bill provision is made for the forfeiture of any such prize to the crown. I think such an amendment would be most appropriate in the law of this country.

I am aware that there is criticism, which has been urged this afternoon in support of this bill, to the effect that our present law does not prohibit the operation of illegal lotteries in Canada. I am sorry to say that there is much truth in this statement. Hardly a week passes that I do not receive in the Department of Justice from some part of Canada advertising literature, tickets and the like, in regard to some so-called lottery which is being operated in some province of Canada. In my opinion many of those which are sent to me are absolute frauds; there is in fact no lottery. It is merely an advertising device to obtain money under false pretences. When these tickets and circulars arrive in the Department of Justice I send them to the various provinces where the operations are said to be carried on, because the house will understand that in Canada the administration of law, both civil and criminal, is under the jurisdiction of the various provinces and not of the federal government. In provinces in which the mounted police have jurisdiction, as they have in six of the provinces of Canada, I place these documents and tickets in the hands of the mounted police. In the other provinces where the mounted police have no jurisdiction I simply forward them to the attorneys general of the provinces. I have heard it stated that convictions resulting from prosecutions under the provision of the criminal code are very difficult to obtain; that few convictions in respect of lotteries are obtained; that there is little sympathy on the part of the magistrates of the country with prosecutions of that kind. I can hardly believe such a situation exists, but I think a little more effort on the part of the provincial authorities might bring a far better enforcement of the law than we have had in the past. The attorney general of Manitoba has been very active in regard to the suppression of illegal lotteries which have been carried on in the city of Winnipeg. In Winnipeg they have sweepstakes on the various horse races; they have sweepstakes on football matches; they have sweepstakes on the weather and on every conceivable subject. In conversation with the attorney general of the province of Manitoba last January he instanced a number of prosecutions which had been successfully maintained in that province, but he said that the problem was one of great difficulty. In Ontario I am aware that some convictions have been obtained in the last few months. In Ontario it has become very common to raffle articles of value, con-

trary to the provisions of the criminal code. Our criminal code provides that in case of any church or charitable bazaar, articles of small value which have not been sold but have been offered for sale during the bazaar may be raffled, but it places a limit on the value of those articles of $50, and the raffle can take place only with the consent of the municipal authorities of the place where the bazaar is being held. I know that perhaps all over Canada, certainly in Ontario, the favourite subject of a raffle or sweepstake is a motor car. I understand that these cars, costing from $800 to $1,000, are raffled almost weekly throughout Canada. All these raffles are contrary to law. I would suggest that we give consideration to an amendment to the criminal code to increase the penalties for breaches of these sections of the law. The law to-day in respect to the purchaser of a lottery ticket provides for a penalty of only $20. I think that might well be increased, if the law is to be enforced. On the other hand we might also improve the lottery sections of the criminal code by providing that any prizes won in the sweepstakes or lottery should be forfeited to the crown and not allowed to go to the informer.

I am only expressing my own views in regard to the whole subject. I would advise anyone who really takes an interest in this question to glance through the evidence which was submitted to the royal commission in England and to read the whole of the report made by that commission. It is a very interesting report; it is good reading, and much of the evidence is of very great value. But the only conclusion that I can come to after reading it as fully as I have been able to do and giving it the best consideration I can is that it is the deliberate conclusion of the commission which conducted the inquiry in England that lotteries are economically unsound and in their operation degrading to the community.

For these reasons, which I have stated thus briefly, I propose to vote against this measure.

Mr. P. F. CASGRAIN (Charlevoix-Saguenay): Mr. Speaker, as I have a bill on the order paper called Bill No. 83, an act to amend the criminal code (lotteries), which very likely may not come up this session, I think it is my duty to tell the house how I intend to vote on this bill.

I am somewhat in the position of the hon. members for St. James (Mr. Rinfret) and St. Lawrence-St. George (Mr. Cahan), and I can also make my own most of the arguments that have been brought forward by the hon. member for Dorchester (Mr. Gagnon) and the Solicitor General (Mr. Dupré). At the present time we have in this country so many lotteries that are operating apparently illegally and taking so much of the money of our good Canadian people that it should be our duty to try to make the best of it and induce our people to keep their money at home. This was one of the arguments advanced when the bill was brought up in the Quebec legislature, and I think we should all give careful consideration to the measure passed unanimously by both houses of that province.

When the present bill was introduced I examined it with some care, and to my mind it did not seem to go far enough in order to reach the object I had in mind, that is, to help our educational and charitable institutions. I also had some such doubts as were expressed this afternoon by the Secretary of State (Mr. Cahan), who said that it would not help us to put this measure on our statute books because we might create some problems in connection with the legislatures. At the same time we are not removing the impediment that exists in the shape of section 236 of the criminal code, which prohibits lotteries with the exception of those especially mentioned in the exceptions. For that reason I brought in Bill No. 83, which provides that the exemptions should include lotteries organized by the government of a province of Canada for educational or public charitable purposes under a law of the legislature of such province. I do not suppose I could say that the entire population of Quebec favours such a bill; undoubtedly there are some who, with my hon. friend from Labelle (Mr. Bourassa) might object, but I think this house should take cognizance of the fact that both houses in Quebec were unanimous in support of the provincial act to which reference has been made. I think the criminal code should be amended in order to make it possible for a legislature, if it saw fit so to do, to pass a law organizing a lottery on its own account and conducting that lottery on a proper, equitable and just basis, using the resulting money for educational or charitable purposes.

For some time past there has been some agitation in the province from which I come because the government discovered that many sources of revenue were drying up. Succession duties were bringing in less money; other taxes were very high, and the government could not increase the taxes or find new methods of taxation in order to bring in the money needed for charitable and educational institutions. It is well known that the univer-

sity of Montreal recently was in great need of money, and that for some time it was feared that it would have to close its doors for lack of sufficient funds to carry on. I believe if this bill passes it should be amended, as was suggested by my hon. friend from Dorchester and other hon. members. If they have in mind the amendment mentioned in the bill which stands in my name and to which I have made reference, I shall be glad to support that amendment. At any rate I think I am safe in following my hon. friend from St. James in voting for the bill itself, because I think it contains a principle to which the hon. members of this house should adhere. In voting for this bill I think we are doing something for the common people and at the same time helping our religious, charitable and educational institutions.

Mr. PETER McGIBBON (Muskoka-Ontario): Mr. Speaker, I wish to make a few remarks on this bill from a little different angle than that from which it was approached this afternoon. I am more concerned with the possibilities for good, with the amelioration of the sufferings of humanity and the lessening of the economic wastage of the human machine through the instrumentality of this bill than I am with the methods or the disputed morality connected with it. That, sir, is my first reason for supporting the bill. My second reason is that I am no respecter of persons or classes, and whether we like it or not this practice is legalized in Canada to-day. During this very day, and within the last few hours, at the Woodbine race track in the city of Toronto sweepstakes or their equivalent have been operated. That practice is made legal by a vote of the House of Commons and the Senate of this country. On my way to Ottawa yesterday I was very much interested in a leading editorial which appeared in the Toronto Mail and Empire, containing a description of the opening of the Woodbine track. If I may be permitted to intrude upon the time of the house for a few moments I should like to read that very beautiful description:

Toronto is again off to the races. The Woodbine track, at Saturday's opening, was thronged with people from all classes of society. In the members' enclosure one encountered most of his friends from this city and many from outside places. Everybody seemed to be there, including His Excellency the Governor General, Lady Bessborough, Lieutenant Governor Bruce and Mrs. Bruce, Premier Henry and Mrs. Henry. The public enclosure was as tightly packed as a box of sardines. From the grandstand the spectator looked out over acres of headgear wedged closely together. The crowd is said to have been the largest in four years—that is to say, since the onset of the depression. We thus have fresh proof that the community is recovering from the economic crisis, and that it is still much given to the sport of kings.

The scene was as brilliant as ever. There were the packed enclosures, the beautiful greensward, hemmed in by the fine oval track and the waters of lake Ontario, with the famous Nova Scotian Bluenose running before the fresh breeze off shore. The custumes of the ladies and the scarlet tunics of the Royal Canadian Dragoons lent colour to the brave show. Sunshine prevailed for most of the afternoon, and the crowd was in festive humour as it enjoyed the opening events of the season's sports.

That, sir, is what is legalized to-day by the parliament of Canada and enjoyed by the people of this country. I am not complaining; I have enjoyed it many times myself and I hope to have the privilege of enjoying it again in the future. But, sir, on the very next page of the same issue of this newspaper, published in the city of Toronto, I read the following:

For keeping a common gaming house in Alexandria park, William McQueen and Nathan Rensler were each fined $100 and costs by Magistrate Browne in Saturday's police court.

McQueen, described by the magistrate as the goat, was sentenced in addition to fourteen days in gaol without any alternative. Austin Ross, defence counsel in the case, said all betting operations for a week would be transferred to the Woodbine where there are plenty of silk hats and silk stockings.

I rise to protest against discrimination in the rights and privileges of our people. Inside the walls of the Woodbine or of any other race track in Canada you may, if you wish, go, bet your last dollar, and take the consequences. I am not defending that practice. But outside of those walls, if you dare to imitate the habits and customs of the rich who frequent the race tracks you may be treated as these men were treated, namely, receive sentences and terms in gaol. That is one reason I support the bill now before the house.

I say to the people of this country that they must either cancel the privileges which in this house have been granted to the rich, or grant equal privileges to the man who is able to bet only one or two dollars on the races. Betting on the sweepstakes is to-day a fact. Hundreds of thousands of dollars are paid annually in bets, and all that money is going out of the country. I should very much prefer to have the money stay in Canada, if it must be spent, than to have it go to foreign countries. The bill simply states that if they wish and if they are willing to take the responsibility the provinces may do so and so. I do

not know why the House of Commons should hold a club over the provinces, as a father would hold a stick over his child, and say, "You cannot do so and so because you are not capable of managing your own affairs." I should prefer regulated evils to unlicensed evils. In handing this privilege to the provinces we are not taking a stand either for or against betting. We simply say to them, "This is your privilege, and under the law of Canada we give you the right to exercise the privilege which as integral parts of the dominion we think you should have."

But I have not risen to speak on that aspect of the bill. I say quite frankly that that feature of it does not interest me. I am not interested in gambling or in sweepstakes, and I have very little interest in racing, although in times gone by I have had race horses. I have risen to exercise the privilege granted me to-night in this great sounding board of federated Canada to draw to the attention of the people of our country the greatest wastage this country has ever known or will know, namely the economic wastage of the human machine. I believe if the house and the country will listen to me for but a few moments I shall be able to prove that we are not conscious of the extent of that wastage. I shall be very brief, and shall attempt to outline in but a moment or two the hypothesis upon which I predicate my remarks. I refer to the value of human life. According to those who have spent time, money and talent working out values of human life we learn that a child at birth is valued at $10,000. At fifteen years the person is valued at $14,150; at twenty-five years, $32,000; at fifty years, $17,510; at sixty years, $8,500 and at seventy years, nothing. Predicated upon those valuations I wish to draw the attention of hon. members to the great wastage this country is suffering every year, and I shall point out that by the expenditure of certain money there is the possibility of saving vast sums of money.

Mr. MULLINS: Is not the hon. member making a mistake when he refers to people of seventy years? I should think a man is just reaching maturity at that age.

Mr. McGIBBON: I suppose I should apologize to those who have reached that age, but statisticians say that their value to the country is nil. I should like now to draw the attention of hon. members to the wastage I have mentioned.

Statisticians tell us that two per cent of our population are continuously nil. That two per cent at a reasonable salary, which I have put down as $1,000 per year, indicates an annual loss through preventable sickness of $180,000,000. I submit that that is a considerable sum, especially when we realize that a great deal of this loss could be prevented. We have continuously ill 54,000 adult males and 54,000 adult females, making a total of 108,000. Taking an average wage of $2,500 for the males and $1,000 for the females we have an annual loss or wastage in earning power due to sickness of $189,000,000. If we add to that, as we must, medical care and hospitalization at $19 each per year we find we have another $2,052,000 added to the wastage.

Mr. SPEAKER: Before the hon. member proceeds further I must call the attention of the house to the fact that the time allotted for the discussion of private and public bills has expired, and unless consent is given we must proceed to consideration of the orders of the day.

Mr. BENNETT: I asked, and I think the house granted, that the orders of the day should not be proceeded with until this bill had been considered. Therefore the order of business now properly before the house is this bill, from the Senate, which was to engage the attention of the house, by consent.

Some hon. MEMBERS: Carry on.

Mr. McGIBBON: Mr. Speaker, I shall endeavour to be very brief. I have every consideration for my audience and realize that they have been bored all day with this debate. I am trying however to approach the matter from a different angle, in order that in the near future something may be accomplished. May I for a few moments deal with facts in connection with preventable death. I am speaking about preventable mortality, and shall endeavour to put into dollars and cents the facts in connection therewith.

There is a preventable infant mortality in this country of 15,000 per year; there is a preventable mortality from diphtheria amounting to 12,000 per year; from cancer, 5,000; from influenza, 5,000; from diabetes, 700; from typhoid, 450 and from scarlet fever, 325. If we apply the tables which I gave the house a short time ago we will find that this represents a wastage of over $380,000,000. If this is all totalled up it will be found that the yearly wastage amounts to over $800,000,000. This is the value of the loss of efficiency in industry through sickness and preventable deaths. I ask the house to think what that means to a country the total expenditure of which is only $400,000,000 or $450,000,000.

A great part of that $800,000,000 could be saved and that is why I rise to impress upon this house the possibilities offered to this country through being able to obtain a little more money for proper hospitalization and treatment. What is the good of our saying that this will cut off grants? There are practically no private grants for hospitals to-day.

Mr. STEWART (Leeds): Donations.

Mr. McGIBBON: Donations have fallen practically to zero. In a moment I shall read a letter which I received from the president of the Red Cross in Ontario to the effect that they can get no money with which to carry on their work. In times past I have gone to the Minister of the Interior (Mr. Murphy) and to the Prime Minister (Mr. Bennett) to ask that the Indians in the north be looked after. Those Indians run wild just like the cariboo and the deer; they suffer and die by the scores, yes by the hundreds and thousands, from tuberculosis and other diseases. They receive no care or medical attention and hospitalization. Why? Because the people who have the responsibility have no money. The federal Department of Health looks after the health of ten million people but this government votes only $500,000 per year for that work. I know the British North America Act stands in the way; the provinces say they have no money, the municipalities say the task is impossible and the federal government say it is not their obligation. When some institution comes along and says they will raise so many million dollars per year for hospitalization, when I know that hundreds and thousands are dying from want, when I know that hundreds and thousands are suffering from disease and the country is losing the vast sum which I indicated, something over $800,000,000 per year, then I say if we cannot get money from the municipalities, from the provinces, from the federal government or from private donations, why not accept it from those who are willing to go out and get it for us? I do not think there is any legitimate answer to that. I have heard none. The betting on sweepstakes is going on anyway and we need not try to be moral about it. We are not one bit better or one bit worse; all that we are asking is to turn this money into channels which will save the health and lives of the people of this country.

Let me show the house some of the possibilities. In 1880 the average span or expectancy of life was forty years, but to-day through medical science and medical care it has been raised to nearly sixty years; I think the correct figure is 59·2 years. That means that an additional fifty per cent of time has been added to the lives of the people; approximately twenty years of life has been added to the lives of ten million people. Based upon reasonable earning powers you then get a figure which my arithmetical ability can hardly reach. And we have not yet attained the limit. It is recognized to-day that seventy years is not an unreasonable expectancy of life for the people of this country to reach even in our day and generation. If proper finances were supplied to the organizations which are working for the extension of human life, the results would be staggering. It has been estimated that $2.50 spent through the proper channel would increase the expectancy of life from five to seven years. What is gained? You spend $2.50 and you get the income of a man or woman for from five to seven years. This offers the greatest possibility for increasing the wealth of this country which can be obtained through any channel of government activity. Yet the municipal, provincial and federal governments are absolutely dead, not only to the possibilities of the future but to the wastage of the present. I should like to read a little article which appeared in the Manchester Guardian. This was written under the name of "Artifex." It reads:

> Whereas the publication of the names of the winners in a recent Dublin sweepstake occupied a whole page of a London newspaper on two consecutive days, the same space in every issue extended over four and a half years would be needed to publish the names of those who won nothing.

What is the good of our trying to fool ourselves? These things are going on right under our eyes and hundreds of thousands of dollars of Canadian capital is being sent out of the country every year. Canada is just that much the loser.

If I may intrude further upon the time of the house I should like to read a letter which I received last year from the head of the Red Cross in Ontario. I do not think I need dilate upon the good work this organization is doing. It is an institution which stands alone in this country. It is the friend of all governments, both in peace and in war, but above all it is the friend of the sick and needy. It pushes its outposts back to the frontiers; it looks after the crippled, the sick, the halt and the blind, but it has to go out on the streets of the cities in order to gather its money. This is a letter that I received last year when this bill was up for consideration in this house:

Dear Dr. McGibbon:

At a meeting of the Canadian Red Cross (central council) held in Toronto on Thursday and Friday last the question of where the money was coming from to carry on Red Cross work was given very serious consideration. What with the grants from the government being cut down very materially and the inability of the patients to pay for their hospital care promptly, if at all, the revenue has been cut down quite a substantial amount.

The need for hospital care is even greater now than in the past, possibly due to the state of affairs in the country at large. Our Red Cross outposts are going to suffer a great deal unless we find some new means of procuring funds, and this can hardly be expected from those who have been contributing in the past, because many of our subscribers have had their salaries reduced, others have lost in various ways and still others are out of employment entirely. In addition to the above, the government have found it necessary to increase taxation. to many of whom it will mean that they cannot contribute to the Red Cross and other charitable work.

The question of sweepstakes was brought up at the central council meeting last week and the statement was made that millions of dollars were sent out of Canada each year in connection with one sweepstake or another. One delegate present, who is in a position to know, stated that two hundred and ninety-eight thousand dollars had left one office in Montreal in the last sweepstake.

Think of it—$298,000 from one office in Montreal in the last sweepstakes. The letter goes on:

It was rather surprising out of a group of about thirty delegates present that there was very little objection raised at the suggestion made to have the Red Cross Society of Canada handle a sweepstake for the hospitals. This may come as a surprise to you and may not at the start appeal to you. However, in asking several persons for their opinion of the subject since last Thursday, it has been rather surprising to find that while some were against the proposition on the start, when they learned the facts of the needs, they were inclined to favour the idea.

I do not want to weary the house by reading more. The letter shows that the central council of the Red Cross Society of the great province of Ontario has come out in favour of this bill. Why? Because the thing is going on anyway, for one reason; but mainly because they cannot get the money they require to carry on the great work which has been delegated to them and which they are interested in and want to perform.

The debate on this bill has gone on all afternoon and this evening, and I do not wish, Mr. Speaker, to encroach further upon the time of the house. But before sitting down I want to appeal to members of the House of Commons and the people of Canada to consider the great wastage of over eight hundred million dollars per year that is going on in this country, a large part of which could be saved, and in the light of that not to put any unnecessary obstructions in any channel through which funds may pour into the coffers that will help this society to bring peace, comfort and happiness to the great bulk of the people of Canada.

Mr. THOMAS CANTLEY (Pictou): Mr. Speaker, this question of public lotteries is by no means a new one, even in this country. I spent some hours recently in the new archives building in Halifax, the capital of my native province, and while browsing about I saw there the original copy of a proclamation of the lieutenant governor of the province of Nova Scotia, dated September 21, 1781, one hundred and fifty-three years ago. That proclamation reads as follows:

Sir Andrew Snape Hamond Knight Lieutenant Governor and Commander in Chief in and over His Majesty's province of Nova Scotia and its dependencies &c &c &c.

To Henry Newton, Jonathan Binney, James Brenton, John Cunningham and Charles Morris Junior Esquires.

Greeting

Whereas by an act passed in the last session of the general assembly of this province entitled "An act for raising the sum of £1 500 by a lottery for the building a public school in Halifax," it is therein enacted that certain able and discreet persons shall be appointed managers and directors for putting into execution the said act, I have therefore thought fit with the advice and consent of His Majesty's council to appoint you the said Henry Newton, Jonathan Binney, James Brenton, John Cunningham, and Charles Morris Junior, and you are hereby appointed managers and directors for carrying the said act into execution, according to the full intent and meaning thereof, and according to the orders and directions therein contained. And any three of you the said Henry Newton, Jonathan Binney, James Brenton, John Cunningham, and Charles Morris Junior, shall be a quorum for ordering and directing all manner of matters relating to and concerning said lottery, as aforesaid

Given under my hand and seal at Halifax, this twenty-first day of September, 1781 in the twenty-first year of His Majesty's reign.

A. S. Hamond.

By Command of the Lieutenant Governor,
Richard Bulkeley.

Harking back to the beginning of history and bible times, apparently the lot was appealed to to decide many questions, problems and undertakings, as the Minister of Justice (Mr. Guthrie) said a few moments ago. After the exodus the land of Canaan was apportioned by lot. Then in Proverbs, chapter 16, verse 33, I note "the lot is cast into the lap; but the whole disposing thereof is of the Lord."

The Minister of Justice referred to the Art Union drawings of their pictures, several of which are to be seen in my native town.

These drawings are supported by public favour and no one has ventured to stop them. The Minister of Justice also referred to raffles of small articles. His idea apparently is more law and more law and more law.

My friend the Secretary of State (Mr. Cahan) this afternoon said and quite truly, that our ideas of morality differ. Sometimes it occurs to me that some of my neighbours are seemingly righteous overmuch and desire to lade men with burdens too grievous to be borne. Be that as it may I shall probably be told that weak men and some poor men speculate who cannot afford to do so. That is quite possible. Some men drink to excess, but shall all men who are temperate therefore be debarred from enjoying one of the good things of life or what has been described as one of the gifts of God?

Life from the cradle to the grave is a venture, a lottery. Marriage, I submit, is the greatest possible lottery of all life's ventures, where by the way I was particularly fortunate in winning a capital prize. But I note that my chief, the right hon. leader of the government (Mr. Bennett) and also the leaders of the other two major parties, have shown in that matter, all three of them, a lack of enterprise which I venture to think as they grow older they may regret.

If I understood the Secretary of State this afternoon, he said that the provinces had exclusive jurisdiction in this matter. But I note that section 236, subsection 3 of the criminal code, reads:

> Every sale, loan, gift, barter or exchange of any property, by any lottery, ticket, card or other mode of chance depending upon or to be determined by chance or lot, is void, and all property so sold, lent, given, bartered or exchanged, is liable to be forfeited to any person who sues for the same by action or information in any court of competent jurisdiction.

Fancy, Mr. Speaker, the mentality of the man who conceived and drafted that section of the act which makes appeal to the meanest instincts of the lowest of mankind, the informer, who at all times and among all civilized peoples has been the object of disgust and detestation, motivated by the meanest of all vices, avarice and greed. I submit that restrictions which to be effective rely on such legislation are beyond the pale of any decent civilization, and that that subsection which I have just read should be removed from the statute book of Canada.

In a recent issue of the London Times I note an article entitled "A national lottery" from which I will quote as follows:

> A sweepstake is a gamble indulged in by a great number of people who never bet or gamble in any other way, and the excitement of the remote possibility of gaining a prize of much greater value than the stake enables them to indulge in the harmless recreation of anticipation three or four times a year, and so relieve the monotony of lives which would otherwise be very dull indeed. This struggle for the relief of such monotony is only a natural impulse, the repression of which by legislation will cause a great deal of resentment and attempts at evasion by otherwise perfectly law abiding citizens.

Why should this house not admit the existence of this natural and, in my opinion, innocent impulse? Nothing, in my judgment, is to be gained by legislation looking to the repression of this comparatively harmless recreation, for we are all gamblers; it is only a question of degree and I believe there is no cause for heroics in discussing this particular matter.

Mr. J. L. BROWN (Lisgar): Mr. Speaker, the question before the house, the second reading of this bill to legalize sweepstakes, has undoubtedly been ably presented by those who are in favour of the measure and their arguments have been set forth very clearly. No doubt the viewpoint which they hold is one that is held by many people in Canada. I differ, however, from that point of view, and I think it is incumbent upon me to present to the house a point of view that I know to be held by a very large number of Canadian people.

I should like to congratulate the Minister of Justice (Mr. Guthrie) upon not living up to his promise when he undertook to speak against this bill. He said that he was not going to discuss the moral aspect of it, but I am happy to say that he did and that he placed himself on record as believing that this measure would lead to the moral degradation of the people. It is that point of view that I shall present perhaps more strongly than the economic point of view, although like the Minister of Justice I hold very emphatically the opinion that the economic consequences of such legislation as is proposed in this bill would be disastrous to the Canadian people.

The bill now before the house comes to us from the upper chamber, a body that is animated by no partisan or sectional interests, a body that is supposed to represent the mature judgment of the Canadian people. We are not, however, necessarily governed by the opinion of the upper house, although the fact that this bill has been passed by that chamber entitles us to treat the legislation with a measure of respect. I trust,

therefore, when I see fit to dissent from the conclusion reached by the other chamber, I shall not be deemed wanting in respect to that eminent body, but if I should seem to be so wanting I trust it will be understood that I consider the question before us of more importance than simply the preservation of the amenities of debate.

The bill under discussion is important also for the reason that it comes with the endorsation of one of the provincial legislatures. Naturally, when a bill comes so endorsed it is incumbent upon the members of this house to pay due consideration to the recommendations of that body. This is a confederation of provinces and the action of the province must of necessity be given consideration. When a province indicates its desire to deal with questions that it believes to be entirely in its own interests, we have a right, if the unity of confederation is to be preserved, to pay attention to its demand. On the other hand, if we are to preserve harmony in our confederation, no one province has a right to force upon the dominion a condition of things that is abhorrent to a great number of its citizens, and unless very strong reasons can be advanced for accepting the judgment of Quebec as governing the attitude of this house, I maintain it is the interest of the great majority of the Canadian people that should determine the matter. Perhaps we will give more consideration to that question when the bill proposed by the hon. member for Charlevoix-Saguenay (Mr. Casgrain) comes before us.

The bill now under discussion is important because it proposes a new departure in financing of public undertakings. Hitherto our public institutions, our social organizations, have been maintained by voluntary contributions or by public taxation. It is now proposed that they should be maintained by lotteries. Many and various schemes have been devised to pull us out of the depression. Some of these are avowedly experimental and the experiments will very likely be cast aside. But this is a new proposal; it is proposed that we take a chance on getting out of the depression by establishing an institution for taking chances.

Before dealing with the arguments that have been advanced in support of the bill I should like to make some reference to an attitude that has been taken in some quarters toward those who have been opposing this measure. I rather hesitate to do this, but at the same time in view of statements that have been made in certain sections, I think it is desirable that we should call attention to the matter. Objection has been taken to the

fact that the Social Service Council has made representations to parliament in regard to this question. The Social Service Council is a very eminent body; it is described as the federal council of churches and other organizations for the promotion of social welfare. I see that three out of the four leading officers are clergymen. I should be the first to resent any attempt at clerical domination of parliament; I believe a church controlled state and a state controlled church are equally inimical to the well being of Canada, but that is no reason why a body such as the Social Service Council should not make its representations to parliament just the same as any other organization might do. What have we received? We have recommendations from the Good Fellowship Association and another from the National Sweepstakes Petition Association. Another comes to us anonymously. We receive these petitions and we treat them as we see fit, but we acknowledge the right of these people to come to parliament and present their views. There is no reason why the Social Service Council or any other body of a public nature should not present their views to parliament without being told, as practically they were in one quarter, to mind their own business. I hope, Mr. Speaker, I am not wanting in respect for other people's opinions. When a man says in regard to this bill that it provides for simple, unadulterated gambling, and sees no moral or economic evil consequences in that, well, I can respect his honesty of conviction, much as I regret that any person should hold those views. But when he brings forward arguments to support his position, when he advances reasons why we should pass this bill, we have a right to examine his arguments and reasons as to their validity and see whether they are sound.

In the meantime I wish to express my own conviction that the effect of this legislation would be to undermine the moral and economic well being of our country. I agree with Horace Greeley who said many years ago that the darkest hour in any young man's life was when he first thought he could make a dollar by any other means than squarely earning it. Undoubtedly there are many factors that have combined to bring about the present depression, but I think we will all agree that one of the chief factors was the gambling craze in stocks that swept over the country in the years preceding it. The get-rich-quick craze has been that bane of our civilization. The message that ought to go out from this parliament to the young men of Canada should be not to seek wealth and satisfaction

without rendering a proper equivalent; that true prosperity depends on the exercise of the old virtues of industry and thrift; and we ought also to send out to them the message that this parliament considers it its duty so to frame legislation to give men of industry and thrift a chance to reap their proper reward.

I got into conversation the other day with a man I hoped would be sympathetic with my point of view, and I was rather surprised when he indicated otherwise and spoke of this bill as providing a chance for the poor man to indulge in a little gamble. He said there are not very many rich men who would indulge in it in this form, but this would give an opportunity to the poor man. Here we touch again the economic question. Is it wise for us in these times of hardship and distress to encourage men to take a chance on sweepstakes? Is it wise for us to encourage men who ought to be spending their money in providing for the wants of their families, men who are perhaps themselves on relief, to spend the few dollars that may come into their hands in buying sweepstake tickets? After all, Mr. Speaker, let us put this matter to the personal test. I say to any business man: Would you put in a position of trust any young man that you knew to be a bettor on races, any young man that you knew to be continuously putting his money into sweepstakes? Would you do it in your own business? You know perfectly well you would not put in a position of trust a man who is addicted to the vice of gambling.

The argument of provincial rights has been advanced. That is perhaps one that will not be given as much weight to-day as it would have been given thirty years ago, for we are beginning to recognize that one of the fundamental weaknesses of the British North America Act is that it puts within the jurisdiction of the provinces many things that might more properly be dealt with by the federal government. However, that is a matter that perhaps we shall be able to deal with more fully when we come to the other bill which will probably be before us.

Another argument which I do not think has any weight or validity is that we should extend the opportunities for gambling because we already have gambling institutions. I do not propose to justify any discrimination between rich man and poor man, but if any one thing is wrong, as evidently those who use that argument concede there is a measure of evil in this practice, it is no reason why we should wipe out discrimination by extending the privileges to the poor man. Let us rather curtail the privileges of the rich. Then the argument is advanced that because we have betting on horse races and make exceptions in regard to certain things, we should open the door still wider. For my part I am opposed to all those exceptions. Someone says: What about stock gambling? Well, let us remember that the transfer of stocks from one man to another is not necessarily an evil—

Mr. MERCIER (St. Henri): What about gambling in wheat?

Mr. BROWN: The selling of wheat is not necessarily an evil. I am willing to concede that evil practices have grown up in connection with the stock market, and the wheat market if you like. But that is not the question we are dealing with; we are dealing with sweepstakes, lotteries. If any hon. member wants to bring forward a bill to get rid of the evils connected with the stock exchange it will receive my hearty support. It is a matter of regret to me that some of those who are opposed to this bill will even admit that there is validity in that argument. I regret that the hon. member for Winnipeg North Centre (Mr. Woodsworth), not only this year but last year and the year before, referred to that argument as something that tempted him—he did not use that expression this year, but last year he did—almost tempted him to vote in favour of the bill. Why will the hon. member give countenance and encouragement and comfort to the enemy by even suggesting that there is validity in that argument?

But the argument upon which the supporters of this bill mainly rely may be stated thus—it was urged this evening by the hon. member for Pictou (Mr. Cantley): all life is a gamble; we are constantly taking chances; farming is a gamble; business is a gamble; we are never sure of anything; therefore why should we not take a chance on the turn of the wheel or the throw of the dice or the drawing of a ticket out of a hat?

Mr. CANTLEY: I did not say that.

Mr. BROWN: That, I say, is the general argument that is used in support of this bill. To my mind no argument could be more fallacious. It springs from a mind unwilling or unable to discriminate between two things that are essentially different. Of course life is uncertain. We may make our plans only to find that be they never so carefully laid something over which we have no control prevents their accomplishment. That fact has been the theme of some of our greatest

writers, it is not only the wise men of this generation who have discovered the uncertainties of life:

Man proposes, God disposes.

There is a divinity that shapes our ends, rough hew them how we will.

But, mousie, thou art no thy lane,
In proving foresight may be vain;
The best laid schemes o' mice an' men,
Gang aft agley,
An' lea'e us nought but grief and pain,
For promised joy.

Go to now, ye that say to-day or to-morrow we will go into such a city and continue there a year and buy and sell and get gain, whereas ye know not what shall be on the morrow.

Well, these are admitted facts, but I protest against this profound truth being prostituted to the support of this bill. Surely the fact that we know not what a day or an hour may bring forth does not justify the passage of this bill. There seems to be some uncertainty in the minds of men as to what gambling is; the term is used so loosely and applied to things which are not gambling in the proper sense of the word. A recent letter appearing in one of the newspapers stated:

In your issue of January 24th appears an editorial entitled "What is Gambling?"

The question has often been discussed, but I venture to suggest to you a definition. Gambling is the taking of a risk which serves no purpose. Speculation is the taking of a risk which must be carried by someone. If I go out to the races and bet on a particular horse, that is a gamble. There was no reason why my money should be risked upon that venture. If, however, I buy ten thousand bushels of May wheat in the month of December and carry it to April before I sell it I am taking a risk which must be taken by somebody. The farmer, the miller or the merchant must carry the wheat until the date at which it can be used.

There is, I think, a clear distinction between these two classes of risks. The speculator helps in the adjustment to the probable. The gambler is a disturbing factor in the operation of the speculator. The gambler is not necessary; the speculator is.

I entered into conversation with the writer of that letter, and he wanted to modify that definition to some extent by saying that the risk should be taken by some person competent to take it. I am not going to say just how far I agree with that statement; probably I would dissent from it in some particular, so it must not be taken as an expression of my own views entirely. However, there is a thought there which I think we might properly consider when we think what gambling really is, and that is that in some of the risks we take in life there is a definite purpose. What about the farmer? We are told loosely that farming is a gamble, but it is not. The farmer sows his seed in the ground. He knows there is a possibility that one man may sow and another reap; he knows there is a possibility that one man may sow while no one reaps. Unfortunately that has been only too true during the last few years in the west, but the farmer has a definite purpose in view, and that purpose is to provide himself and his family with food, using the surplus above his own wants to provide himself with other necessities of life. The definite purpose behind the activities of that man is to feed the world, and if men had not been prepared to take these chances in life we would still be naked savages running through the woods and there would not have been any advance in civilization.

That is true also of the trader who sends his ships over the seas. He does not know whether they will ever come back to him, but the fact that he does send out his ships in order to bring back goods tends to the advancement of civilization. Men go up into the stratosphere; they take chances, but they want to advance the sum total of human knowledge. Commander Byrd is spending a winter in the Antarctic; he is taking a chance and risking his life, but it is in order that he may secure fuller knowledge in regard to some phenomena that are not well understood to-day. What about our doctors? Many a doctor has risked his life in order to increase human knowledge in regard to disease. Sometimes doctors have allowed themselves to be infected with disease, knowing that they took a chance; they did so in order that they might advance the sum total of human knowledge and be able to render, with that knowledge, a service to humanity. Yet there are people who would put an action of that kind on the same plane as buying a sweepstake ticket. Surely there is no similarity between the two acts.

We have had the question of insurance brought up in the other house. We will take fire insurance as perhaps the simplest illustration of the principle. What is a mutual fire insurance company? It is an organization of men who have associated themselves together in order to help each other in case of misfortune. That is carrying out the Christian principle that ye that are strong ought to bear the infirmities of the weak.

Mr. BENNETT: That is the marketing bill.

Mr. BROWN: I have tried to keep my remarks from becoming partisan, so I will discuss that phase of the question another

time. I said that a mutual fire insurance company simply carries out the Christian principle that ye that are strong ought to bear the infirmities of the weak, that the fortunate ought to help bear the misfortunes of the unfortunate. Perhaps the principle is not seen so clearly in regard to other insurance companies; nevertheless the underlying principle of insurance is that the strong shall bear the infirmities of the weak. Yet we have the argument advanced that this is on the same plane as buying sweepstake tickets. In any case actuarial calculations so far as possible have eliminated those risks.

I have advanced some reasons as to why I think this bill should not be supported. I am quite ready to concede that there are some sections in the present criminal code that might very well be changed. I am quite at one with those who urge that the very obnoxious clause concerning the disposal of the prize won in a lottery should be wiped out. I think perhaps it will be recalled that last year, when the hon. member for Charlevoix-Saguenay (Mr. Casgrain) introduced a bill dealing with this subject, in speaking on the second reading I indicated that if the bill went to committee I would bring in an amendment wiping out that clause and providing that the prize should go to the state. I am glad to know that this proposition is now heartily endorsed.

I feel strongly on this question, Mr. Speaker, from the standpoint of its effect upon the morals of our young people. I have said already that we ought to tell the young men of this country that the true source of prosperity is not in taking chances by pulling a ticket out of a hat or in any other form of chance, but that thrift and industry in the end will bring their reward. While it may be and is true that there are things in life which we cannot control, nevertheless it is largely true that men within themselves are able to determine their own destiny, and that is the truth we ought to emphasize.

> Out of the night that covers me,
> Black as the pit from pole to pole;
> I thank whatever gods there be
> For my unconquerable soul.
>
> In the fell clutch of circumstance,
> I have not winced or cried aloud;
> Under the bludgeoning of chance,
> My head is bloody but unbowed.
>
> It matters not how strait the gate,
> How dark with punishment the scroll,
> I am the master of my fate;
> I am the captain of my soul.

That is the message to give to the young men, and not to tell them to take a chance, life is a gamble; therefore let us eat, drink and be merry, and make no effort to advance our own welfare and control our own destiny.

Mr. H. J. BARBER (Fraser Valley): Mr. Speaker, it was not my intention to take part in the debate, but after listening to the remarks of the mover (Mr. Fraser, Cariboo) and the seconder (Mr. Gagnon) of the motion for second reading, it seemed to me that they left the impression with the house that the province of British Columbia is favourable to this legislation. I fail to discover any evidence to that effect. It is quite true that a plebiscite was taken in the city of Vancouver, on which occasion I believe ten per cent to fifteen per cent of the citizens of that great city voted for sweepstakes. That is the only evidence we have from the province of British Columbia that this legislation is desired. The government of British Columbia has not intimated that it requires this measure in order to carry on the financing of some of the institutions of that province.

I am not going to touch upon the historical aspect of the matter, nor shall I deal with the moral side of it. The last speaker (Mr. Brown) has dealt with those particular phases of the question. The hon. member who seconded the motion for second reading stated that a man who was sitting very close to him and who would quite likely oppose the bill had in his pocket a sweepstake ticket. I am not guilty. I have not a sweepstake ticket in my pocket, but I have bought tickets on raffles; I have bought the odd ticket on sweepstakes and have taken chances on the horses, with the same results which thousands of others have experienced. All I got out of it was just the kick.

Hon. members supporting the bill claim that the adoption of this proposal is necessary in order that we may secure funds to finance our institutions, particularly our hospitals. I was amused when, referring to this bill, the Minister of Justice (Mr. Guthrie) said it was clothed in the garb of righteousness. Perhaps that is the reason this measure is entitled the Hospital Sweepstakes bill. In British Columbia we have met with difficulty in financing hospitals, a difficulty which has been experienced in other parts of Canada. We have had difficulty in financing other institutions. During the last three years the churches have had difficulties; educational institutions have had difficulties, governments have had difficulties and individuals have had difficulties. Hospitals are not the only institutions which have had trouble in financing. But we have passed through the most difficult stage in our history, and so far we have been able to maintain our institutions. The courage and sacrifice of the Canadian people have met the situation; they have rallied to the support of their institutions with great credit to themselves and to their country. I be-

lieve I am voicing the opinion of the people of British Columbia when I say that they are prepared to continue to make sacrifices and to carry on, rather than to resort to legislation of this kind.

There is just one other point to which I should like to refer. The argument has been made by several hon. members that under the present system money is leaving the country, and that for that reason we should step in and set up machinery to carry on sweepstakes, lotteries and gambling, so that the money may be kept in Canada. I question whether there is much force in that argument. The question before us to-day is not that of setting up Canadian sweepstakes and thereby shutting out the purchase of tickets on the Irish and other sweepstakes. That is not the question before us. If the house passes this measure and establishes a system of lotteries, and if it sets up machinery and spreads propaganda are we going to keep in Canada the money which is now going to sweepstakes and lotteries in other countries? Hon. members will recall that only a few years ago the question was raised in the Irish Free State as to what proportion of the moneys received ultimately went to the Irish hospitals. The parliament of the day in the Free State issued a report in which it was indicated that only 20 per cent went to hospitals; that eighty per cent went to prizes and expenses connected with carrying out the sweepstakes. I noticed that the mover of the resolution stated his figures indicated that the hospitals received only 17.99 per cent of the proceeds. At the time about which I have spoken there was a movement in the Irish Free State to increase the amount to be given to the hospitals. It was urged: Why all this effort in the name of charity when the hospitals receive only 20 per cent? The suggestion was made that they should get at least 33 per cent. The proposal was turned down, and why? The reply was that big prizes are necessary, and that unless big prizes are offered as inducements a large fund cannot be collected. Therefore it was indicated that it was necessary to keep the prize moneys as large as possible and the charitable donations as small as possible.

Let us apply that argument to the argument urged to-day to the effect that by instituting a system of lotteries in Canada we would keep the money in the country. We will suppose that the canvasser would be authorized under this legislation to go out and undertake to sell $2 or $2.50 tickets on a sweepstake the prize money of which, in the smaller provinces at least, might not be more than $2,000 or $5,000. The purchaser who has been in the habit of buying tickets would say, "Why should I buy a ticket in this sweepstake costing me $2.50 and offering only a small prize, when with the same money I can buy one in the Irish sweepstakes with prizes running up to $150,000?" The fact that a sweepstake is authorized in one province would only mean that another province would have to try to keep within its borders the money likely to be spent upon such an enterprise, and would have to introduce sweepstakes of its own to appeal to its own people. Therefore in every province of the dominion sweepstakes would be organized from time to time and tickets would be sold with the result that the whole country would go sweepstakes mad, and there would be great competition. The value of prizes would necessarily have to be enlarged and commissions to vendors increased. The first of the two results would be that the larger provinces of Quebec and Ontario, with their greater population, would be able to offer greater prizes and would draw the money from the smaller provinces. There has been special reference to British Columbia; in fact I believe the sponsor of this measure in another place based his whole argument on the situation obtaining in British Columbia. The second result is that the money would pour from British Columbia to the eastern provinces because of the larger prizes to be offered there, and the main object of my hon. friend who is fathering this bill, that of aiding the hospitals in his own province, would be defeated.

Is this an opportune time to resort to a lottery system in this country? I was surprised to hear an hon. member state this afternoon that he considered it was. We are just recovering from a world wide depression, a world wide gambling debauch which brought upon us untold suffering and widespread ruin, and I believe the adoption of such a system as is proposed by this legislation would not mitigate but would tend to increase our troubles. I regret that I cannot support the bill sponsored by my colleague from British Columbia.

Mr. HUMPHREY MITCHELL (East Hamilton): Mr. Speaker, as one of the corporal's guard that supported the principle of this legislation last year, I feel it is necessary to take a few minutes to give my reasons for supporting it now. Many arguments have been put forward why this bill should be opposed and many have been put forward why it should be supported. The hon. member

for Dorchester (Mr. Gagnon) made the observation that it was revolutionary in character. I always thought that playing poker might be illegal but I never thought it was revolutionary.

Mr. GAGNON: I never said that.

Mr. MITCHELL: Some hon. members have found fault with the intent of this bill which is to supply needed money for our hospital system. I believe the responsibility for that system should rest upon the state alone. It should be the responsibility of the state to supply the necessary means to carry on this system. I believe that hospitals stand in the same relationship to the community as our schools stood one hundred years ago. One of the great social problems confronting this country is the placing of our hospital system upon a sound basis rather than having it rest upon the giving of voluntary subscriptions. My experience has been, and I speak in a broad way, that those who should support our hospitals on a voluntary basis do not do so.

I listened with attention to the remarks of the Minister of Justice (Mr. Guthrie) and while I admit that there may be some soundness in his argument I think he should have carried it out to its logical conclusion. If sweepstakes are economically unsound, so are race tracks, so are stock exchanges, so is the gambling which takes place in the wheat pits, so is the gambling which takes place in real estate and so are the raffles carried on by many organizations in this country. I think it would be a fair observation to make that possibly the present government is gambling in not having an election this year and deciding to wait until next year when times might be a little better.

I am sure the sincerity of the hon. member for Kindersley (Mr. Carmichael) cannot be questioned. He said that this bill would develop the desire to get money. He said money was the root of all evil.

Mr. CARMICHAEL: No, the love of money.

Mr. MITCHELL: That is the same thing.

Some hon. MEMBERS: No.

Mr. MITCHELL: All right; have it whichever way you want. He said that this legislation threw the doors open to gambling. I wonder if he realizes that at the present time, as far as the broad aspect of gambling is concerned, the door is wide open. I think it is fair to say that we have even lost the key. A practical and realistic view should be taken of a question of this kind, and I do not think it is the business of this house to produce angels. If that is the yardstick by which we must be measured, we have not been very successful. In my opinion the soundness of any legislation is reflected in the effect it has upon the enforcement of other legislation. We might as well admit that innumerable sweepstakes are taking place in this country to-day under various subterfuges. I think it is far better to recognize that fact and regulate things rather than to allow them to pass almost unnoticed.

I do not intend to put myself on the high moral plane upon which some hon. members have placed themselves. I do not gamble, because I think a man who gambles is a fool, but like most hon. members, at the present time my wallet is filled with drawing tickets. The first game of people who have drawing tickets to sell is the member of their particular constituency; he is the first man they hunt up. Under these conditions I do not see how I can vote conscientiously against a bill of this description.

I think most hon. members miss the important thing in buying a drawing ticket. It is not the desire for gain, as has been expressed here, because the chances are very small; it is the thrill which the average man gets out of buying a ticket. Why should we deny him that thrill? One gets so few thrills in life, it is worth something. It is like a woman buying a hat. The hon. member for Southeast Grey (Miss Macphail), the lone lady member of the house, is not present so perhaps I may continue. Most of us men folk think that most ladies hats do not look very much, but if a woman gets a thrill out of buying one, surely it is worth something.

This bill has the endorsation of the Trades and Labour Congress of Canada, which discussed the matter thoroughly and came to the conclusion that it was far better to recognize a condition that existed than to turn a blind eye.

Mr. SAMUEL GOBEIL (Compton): Mr. Speaker, I assure the house I shall take but a very few moments, but I desire to justify the vote I intend to cast on this bill. My first instinct was to vote against the bill, and although I have tried to reason with myself and sell myself this proposition, I must admit that I have failed. This is why I want to explain the position I am going to take in voting against the bill and in favour of the amendment.

When it was first mentioned that everyone would be free to vote on this question just as he pleased, I thought I could vote without speaking on the question at all, but owing to the very strong and extended newspaper campaign that has been conducted in the province of Quebec I find it impossible to vote on this measure without first giving an explanation.

It has been stated in the press of the province of Quebec that a large majority of the citizens of the province are in favour of this bill, and the same opinion has been expressed this afternoon by members from my own province who have already spoken. I must say that I cannot endorse that opinion. I have not received a single letter from any of my constituents in favour of this bill or asking me to support it. I am afraid that some members from the province of Quebec have been more impressed by the newspaper campaign than they should have been, and not so much by the sentiments of their constituents as they have had occasion to consult them, as no doubt some have. I was home last week-end and had occasion to meet several people from different parts of my county; I asked those whom I met what their opinions were of this bill, and not one of them told me he was interested, and not one asked me to support the bill.

Another reason why I cannot support the bill is that if we were to have sweepstakes I am strongly of the opinion that the matter should be under federal control. Two members this afternoon, the hon. member for Laurier-Outremont (Mr. Mercier) and the hon. member for St. James (Mr. Rinfret), said that it was not a question of having or not having lotteries, that lotteries were here and we had to deal with them, and that as we had them it was better to legalize them than to let them be conducted illegally as they are now. But is it as sure as all that, that if this bill passes we shall not have as many lottery tickets sold illegally as we have to-day? Subsection 2 of section 5 of the bill reads:

> Agents or solicitors for the sale or promotion of sweepstakes tickets shall not be authorized or appointed in any province in Canada other than the province within which the sweepstakes is authorized.

If two or three or five or six provinces take advantage of this law, should the bill pass, in what position would we find ourselves in a province which did not take advantage of the law? Do hon. members believe that agents will not offer for sale in the province of Quebec, for instance, if it did not take advantage of the law, tickets from the province of Ontario or the maritime provinces or any other province which did take advantage of it? I believe that if this bill passed we would have more illegal tickets sold than we have to-day. But even if that were not the case, if the situation should remain as it is to-day and as has been described by several hon. members this afternoon and to-night, with illegal tickets now being sold anyway, is that any good reason why we should add one more to the evils already existing? In my opinion we should rather try to restrict the present evils.

I said, Mr. Speaker, that I would take only five or ten minutes, and I shall conclude as briefly as possible. There is one other aspect on which I should like to say a few words. I am strongly of the opinion that was expressed by an hon. member who has just spoken, that to adopt this bill and to have sweepstakes would be to set the worst possible example and be a most unfortunate inducement not only to our youth of from fifteen to twenty years of age but even to younger children. Judging by the experience of other countries, if sweepstakes are legalized in Canada I think we shall see every schoolboy and schoolgirl trying to save five cents in order to be able to buy a sweepstakes ticket. To my mind that is contrary to the principles that ought to be put into the minds of our youth.

Another aspect on which I want to touch is the religious one. It has been advanced by many, and I have been told by many, that the Catholic church favours sweepstakes. It is not for me to say whether they do or do not, but I do believe that a man can buy a sweepstakes ticket without committing a mortal sin.

Going a little further, the hon. member for St. James said this afternoon that there is nothing immoral in lotteries. I am sorry to say, Mr. Speaker, that that opinion is not in conformity with the teaching of several eminent members of the church, and if I may be allowed I should like to quote one of them. We all know him in Quebec. Every year the Catholic church authorities invite eminent preachers from the old country to come to Montreal and Quebec and preach in their churches. This winter the Reverend Father Doncoeur from France preached the lenten services in the Notre Dame church in Montreal, and during a retreat for the men of Montreal he made these remarks which I quote from one of his sermons. The quotation was in French, but I have had it translated and I think the translation is accurate. Reverend Father Doncoeur said:

The divine commandment is that one must earn one's bread by the sweat of one's brow, and it is an act contrary to the moral law to organize sweepstakes.

This is in a few words what the Reverend Father Doncoeur stated last evening at the third conference of men's retreat at Notre Dame church. Money earned without an effort is not honestly earned, he added. The French workers of past centuries were well aware of this; they were only satisfied when the work they had done, for a stipulated amount, was almost perfect. They then took pride in the money thus earned honourably. The eminent preacher recalled that on his departure for Canada the sweepstakes organized by the French state were taking place. Millions were distributed, even five millions to one person.

I suppose that means francs.

Money earned without work! What disorders thrown upon society! For a few favourites of chance we have seen unfortunate people lose their minds.

God's commandment, the preacher repeated, is to earn one's bread by the sweat of one's brow. Speculation is the great evil of modern society. One desires to earn money without an effort. Nothing is more contrary to the moral law and harmful to society.

This reverend priest was invited by, and certainly had the approval of, our Catholic church authorities in the province of Quebec. Therefore, although as I said before I do not think this is a dogmatic question and I believe everybody is entitled to vote as he thinks best for or against this bill, I say that those who claim that the Catholic church has been favouring and fostering this legislation are not altogether correct. For these reasons and a few more that I might have advanced had I had time, I am going to vote for the amendment moved by the hon. member for Kindersley (Mr. Carmichael).

Mr. F. G. SANDERSON (South Perth): Mr. Speaker, I have no desire to prolong this discussion but I should like to make one or two observations. I agree with the remark made this evening by the hon. member for Fraser Valley (Mr. Barber) that if this bill is passed and becomes law, it will keep in Canada a good deal of money that now goes out of this country in payment of tickets for sweepstakes. But in my opinion—and I speak only for myself—if this bill becomes law and hospitals are permitted to raise money by means of sweepstakes, the matter will not end there. This is only the thin end of the wedge; requests will be made to this and future parliaments for all kinds of societies and associations to have the right and privilege to issue sweeptakes tickets.

I can well understand the attitude of the hon. member for Muskoka-Ontario (Mr. McGibbon) although I do not agree with the arguments that he advanced in favour of this bill. He is a medical man, practising his profession, and I can quite understand that he is in favour of raising money by this means for grants to hospitals; but in my opinion, if the hospitals of this country are going to depend on the money that is received from a source such as this, they are not building on a very sure foundation. If this bill passes and becomes law it will be the means of reducing contributions that are now going to hospitals from private and other sources, and instead of being a benefit to hospitals I believe it will be a detriment. He has, however, voiced his opinion in that regard: I do not take issue with him on that but I do not think he is right in his argument.

This afternoon the hon. member for Dorchester (Mr. Gagnon) brought up a point that to my mind was rather peculiar, especially in regard to this particular bill, because there is an air of mystery about this legislation. Last session a similar bill was introduced in another place and passed and came into this chamber where it was defeated. Again we have the same or a similar bill originating in another place and coming to this chamber. Last year the bill was defeated by a very large majority, and I am of opinion that public sentiment in this country has not changed from last year and that there is no demand for this legislation. The hon. member for Dorchester said: Why have any hypocrisy in regard to this matter? We had better make it legal.

Mr. GAGNON: On a point of order, I never said that this bill was a hypocritical measure.

Mr. SANDERSON: I did not charge the hon. member with saying that. What he did say, if I heard him correctly, was that we had better have legislation than have any hypocrisy in regard to buying sweepstake tickets. Am I correct in that?

Mr. GAGNON: If my hon. friend will permit me, he is still incorrect. I said that the regime of prohibition of alcoholic liquor in the United States and Canada was a regime of hypocrisy and I confined my remarks to the prohibition of alcoholic liquor.

Mr. SANDERSON: The point I want to make in regard to the hon. member for Dorchester is this: I think he said something about hypocrisy this afternoon in regard to purchasing sweepstake tickets.

Mr. GAGNON: No.

Mr. SANDERSON: If he did not say so, very well, but he at any rate implied that. Even if he did not I want to say that since

I have been a member of parliament there has not been another piece of legislation introduced into this chamber about which there has been more hypocrisy than this bill, for the reason that it is camouflaged and linked up—

An hon. MEMBER: The marketing bill.

Mr. SANDERSON: An hon. member says, the marketing bill. For the moment I do not want even to mention the marketing bill; I will confine myself to this measure. This bill is camouflaged with the word "hospital" and under the guise of "hospital" it is supposed that gambling will be legal for the Canadian people so far as raising money for hospitals is concerned. I should like to know who is behind this bill. What combination of interests in this country is behind this legislation and hiding behind the question of subsidizing and making contributions to hospitals by this method? It has been stated to-night by the Minister of Justice (Mr. Guthrie)—and I think it is correct—that about only eighteen per cent of the money contributed through such sources as this, sweepstake contributions and prices for tickets, reaches the destination to which it is supposed to go. What becomes of the other eighty-two per cent? I will admit that some proportion of it goes for the prizes, but beyond that it is nothing more nor less than a racket. And it will be a racket in this country if this bill passes the house. Let me say that I am not pretending to be on any high moral plane in regard to gambling, but any hon. member of this house who has been a member of the banking and commerce committee this session and has listened from day to day to the evidence given before that committee by the general managers of the banks will remember that in almost every instance they have said that the world condition and the condition in which we find ourselves in Canada to-day is largely due to gambling. And this bill, to my mind, has to do with nothing more or less than legalized gambling. If the bill becomes law it will be the beginning of more extensive legalized gambling, and gambling is a disease. I am not going back to ancient history to prove that because I want to deal with present world conditions and present conditions in our own country. It is a disease. Once you get the germ it is pretty hard to shake it. If our young men and young women, the rising generation of this country, are told that it is legal for them to spend their money, to gamble in sweepstakes for the maintenance of hospitals—and if they have not got it themselves they will borrow it or get it in some way—you are to my mind building on a wrong foundation for the future of this country.

So I cannot support this bill. It is possible that I might favour some kind of bill for sweepstakes. I am not going to spend the time to say what kind of bill would suit me; I am not absolutely opposed to the sale of sweepstake tickets, but I am opposed to the sale of sweepstake tickets under the guise of contributions to hospitals.

I am sorry if I have delayed the house at this late hour but I wanted briefly to put myself on record, and I hope if it comes to a vote to-night that the bill will be defeated.

Hon. W. R. MOTHERWELL (Melville): Mr. Speaker, I shall take only about seven or eight minutes—

An hon. MEMBER: Cut it in two.

Mr. MOTHERWELL: It seems to me most strange that at this time we as a deliberative body composed of some 240 members supposedly capable of leading our electors and others in any direction for the general benefit of our country should be actually engaged in discusing the pros and cons of affording greater facilities for gambling, of which surely in all conscience we have too many already in Canada. That to me is an amazing thing. And then the reasons given! "The prohibition of gambling does not prohibit." Does the prohibition of murder prohibit? And because it does not would you abolish the law against murder? What arrant nonsense people talk. Does prohibition of anything prohibit? It never has and never will prohibit entirely, but it will not mend matters to open the doors wider and let them go to it. The hon. member for East Hamilton (Mr. Mitchell) of whom I think so much, is in favour of it because it gives him a thrill! Would he carry that to its logical conclusion and say that all thrills should be sought and encouraged? The murderer is given a thrill. The man who breaks into a bank gets a thrill because he beats the law. There is a thrill in getting past the law. But that is a dangerous doctrine to follow. There are thrills and thrills, and there are some that we must avoid if we want to escape the penitentiary. I expressed the view last year that I was proud of the fact that all our leaders in both chambers were against this kind of thing—sweepstakes legalized. They are not very audible about it to-night, and that may be the part of wisdom as leaders, but I know where their hearts are. I know where they were last year, and I have no reason to believe that they are anywhere else this year. I am proud to think that even

if their leadership is not very audible or visible it is nevertheless there. Who could listen to the hon. Minister of Justice (Mr. Guthrie), especially one sitting on the other side, and not be moved with the desire to follow such leadership in a matter of this kind? I have no desire to be thrown in contact with my hon. friend any more than is necessary, but I am not going to shy away because he leads, do not make any mistake about that, especially in a matter of this kind. I have had the opportunity since coming to Ottawa of having for nearly nine years under the Department of Agriculture had the supervision of race track gambling. I do not suppose there is any race track gambling in any part of the world conducted more decently than it is in Canada, if it can be conducted decently. It is supervised by the police. I know the example that form of gambling is to so many; I recited it last year, and I am not going to repeat it. Nor am I going to talk much longer, only to make one other remark, about regulating gambling.

We have heard a lot about regulating. Can you regulate a rattlesnake? Can you regulate poison? Can you regulate many of these vicious things for which the only cure is—well, something else much more drastic? Restrain it more by circumscribing its activities; penalize it more if possible, instead of opening the doors to it. I am astonished at the so-called arguments used, especially those relating to hospitals. Yet, Mr. Speaker, there are many good men who do it—that is the misfortune of it; if it were only the scalawags that liked gambling it would not be so bad, but the world is full of good men and women who engage in it; there is no question about that. But that is all the more reason that those of us who see it otherwise should make our views stoutly known.

I do not think my ten minutes are up yet—

Mr. MACKENZIE (Vancouver): Seven, it was to be.

Mr. MOTHERWELL: Then I will shorten it. When I think of the high and upper source from which this bill has come I am reminded of the old but true saying that "Satan finds some mischief still for idle hands to do." If I had a hundred votes, yea, a thousand, they would all be recorded against this gambling bill.

Right Hon. R. B. BENNETT (Prime Minister): It devolves always upon whoever happens for the moment to lead the house, when a matter is under consideration that is not party or political in the broad sense, to make a few observations upon the question which is to be dealt with. In January of this year a discussion took place between the premiers of the provinces and members of the federal executive regarding lotteries and sweepstakes. The government indicated to those present that an opportunity would be given, without any whip being used or any control exercised from a party standpoint upon the members, to express freely their opinion with respect to the matter in hand. I have only this to say, that as far as my personal view is concerned I am unalterably opposed to this legislation and shall vote that it be given the six months' hoist. I shall not dwell upon the reasons which induced me to arrive at that conclusion. Suffice it to say that recently, 1932 to be exact, a book was published by a very well known author in which the whole history of lotteries was reviewed at great length and the reasons given why it was found essential in 1823 to pass a statute by which lotteries were made illegal in Great Britain. The law became effective in 1826. In France they passed an act by which lotteries were made illegal; it was not until more recent times, in fact not until the days of Clemenceau and Briand, that the act was amended, and it was only in 1933 that the present provisions of the law were enacted by which state lotteries were made legal.

My reading induces me to believe that the lotteries which began in a small way in England in the sixteenth century, the proceeds of which were utilized to build the British museum, to establish the colony in Virginia, to carry on operations of a public character in connection with the payment of the debt and to raise public money, were in the very nature of things frequently, if not always, surrounded by conditions which could not be supported. This book, Lotteries and Sweepstakes, by L'Estrange Ewen, published in 1932, reviews every lottery in Great Britain from the beginning until the end, and the various chapters dealing with the history of this question certainly are worth reading from any possible standpoint, whether of the history of the race, of its tendencies, of its instincts, or of the development of public morality. However you may look at it the fact is that this book is intensely interesting as the history of three hundred years or more. The conclusion at which the author arrives is one to which I think attention might be directed. I have the fullest sympathy with those who do not share my opinions; they have their reasons for their views and they sustain their convictions on grounds which doubtless they think quite as strong and as

cogent as any reasons I could give as to why I do not support this measure. At page 353 of this book I find these words:

The determination of whether an action is right or wrong is dependent upon the setting up of a uniform standard of morality applicable to all classes in all circumstances, and as the moral theorists have not yet come to agreement on that matter, no attempt will be made in this practical volume to determine in which category of human endeavour participation in a lottery falls. It will be agreed by most students of moral science that the majority of actions upon which personal advancement depends contain elements which may be deemed vicious by the most exacting critic, and, disregarding the views of visionaries, it will be conceded by everyone that it is impossible to eliminate all incentives to evil without at the same time destroying many possibilities for good.

That is the conclusion at which the author arrives, to which I think most of us will agree. There is no absolute rule of right or wrong with respect to this particular matter. Each man must answer that question in the light in which he reads the evidence of the past and the history of days that are no more. That is the only way in which he can arrive at a conclusion, but when I am asked to exercise my vote as a member of the House of Commons of Canada to say that we shall legalize that which has brought the misery to the human race that games of chance and lotteries have brought, I propose to exercise my vote against any such thing. I cannot throw the weight, the prestige and the power of the state into legalizing these lotteries. Here is the epitaph that, after centuries of effort in Great Britain, was prepared by Hone with regard to lotteries, when they ceased to have legal existence in Great Britain:

In Memory of
THE STATE LOTTERY
the last of a long line
whose origin in England commenced
in the year 1569,
which, after a series of tedious complaints,
Expired
on the
18th day of October, 1826.
During a period of 257 years, the family
flourished under the powerful protection
of the
British Parliament:
the minister of the day continuing to
give them his support for the improvement
of the revenue.
As they increased, it was found that their
continuance corrupted the morals,
and encouraged a spirit
of Speculation and Gambling among the
lower classes of people;
thousands of whom fell victims to their
insinuating and tempting allurements.

[Mr. Bennett.]

Many philanthropic individuals
in the Senate,
at various times for a series of years,
pointed out their baneful influence
without effect
His Majesty's Ministers
still affording them their countenance
and protection.
The British Parliament
being at length convinced of their
mischievous tendency,
HIS MAJESTY GEORGE IV,
on the 9th July, 1823,
pronounced sentence of condemnation
on the whole race;
from which time they were almost
neglected by the British Public.
Very great efforts were made by the
Partisans and friends of the family to
excite
the public feeling in favour of the last
of the race, in vain:
It continued to linger out the few
remaining
moments of its existence without attention
or sympathy, and finally terminated
its career unregretted by any
virtuous mind.

My reading induces me to believe that every condemnation contained in that epitaph is supported by ample evidence. If I were to sit upon a jury I would have to find that the evidence against lotteries far outweighs any support that can be found either in the past or in the present. To argue that stock and mining exchanges constitute gambling may be and probably are correct to some extent, but to ask the state to establish a lottery, with various annuities and prizes to be awarded to those who are successful in the draw, it seems to me is but to offer one more incentive to the growing tendency not to realize the obligation that rests upon one and all to make some contribution, by real work, to their own fortunes and to the state.

I need not dwell upon the matter at length. What I have said so frequently I repeat, that on the balance of testimony as I see it and read it, and from what I can ascertain from the effect and influence of games of chance upon the minds, the thoughts and the habits of men; from the pernicious influence and the insinuating tendency to induce men to cease to work, as is pointed out in Palgrave's Dictionary of Political Economy, quoting from a well known statement made in the House of Lords by the Earl of Chesterfield of that day, the effect is ruinous upon the individual. From the moral standpoint; from the standpoint of the attitude of the individual towards society, towards his fellow and towards his country, I have no hesitation

in saying that the evidence seems to me so complete that any jury of twelve men should find against lotteries, whether they be state or otherwise.

To introduce the hospitals into the matter of course is something that does credit to those who are anxious that our philanthropic institutions should be maintained. I happened to be in Dublin the day after one of the drawings took place. I know it is true that large sums of money went into that lottery from various parts of the world; it is true that we can advance the narrow argument that by this means we may keep in Canada or in one of the provinces substantial sums of money that might be utilized for some useful purpose. But if we established nine lotteries in Canada under the provisions of this act what would be the effect upon the people of this country? I do not believe there are ten men in this chamber who will say that at this time we should establish a national lottery in Canada. Therefore if we should not establish a national lottery, whether for hospitals, for the state or for any other purpose, can we justify the establishment of lotteries in a single province or in all nine provinces for any purpose that may be named? If we establish lotteries in three provinces and not in the other six what will be the result? The money from the six provinces will go to the three provinces, and so far as that is concerned it makes no difference whether it goes to the three provinces or somewhere else, in view of the way in which the money is expended, since only eighteen per cent of the total takings go to the hospitals which are used as the bait to secure the support of the public.

For these reasons, without reviewing the matter at length, I can only say that I must record my vote in favour of this bill being read this day six months hence, and I do so with as strong a conviction as I have ever held upon any public question in connection with which I have had to make a choice.

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): Mr. Speaker, I am aware that the house is anxious to vote on this measure before eleven o'clock, and for that reason in what I have to say I will be very brief. In a word, I find myself in entire agreement with the right hon. the Prime Minister (Mr. Bennett). My convictions in the matter are quite as firm, as profound, and as sincere as are his own. I have opposed similar measures when on previous occasions they have been introduced, and on this occasion not only do I agree with the arguments presented by the Prime Minister but in addition I hold to the view expressed this afternoon by the hon. the Secretary of State (Mr. Cahan) that this particular measure is ultra vires.

I was somewhat surprised to see that one other member of the ministry seemed to take a different view with regard to the all important matter of jurisdiction. Perhaps hon. gentlemen opposite will not wonder that hon. members on this side feel they have reason for the doubts they entertain at times as to the certainty and unanimity of view existing in the ministry itself on questions of constitutional procedure and jurisdiction.

May I say of this particular bill with respect to hospital sweepstakes, the hospitals themselves do not wish to have the measure passed. I have in my hand a copy of an official letter addressed to the Prime Minister by the Secretary of the Canadian Hospital Council, of which body the right hon. gentleman himself is honorary president. In this communication very strong reasons are given as to why the House of Commons should not pass this particular measure. I shall not take the time of the house to read the communication. I need only say that it sets forth in no uncertain terms many of the arguments which have been presented to-day.

As the Prime Minister has said, the principle to be decided with respect to this bill is as to whether or not this house shall endorse legislation which tends to further gambling practices. I believe, in private, gambling should not be encouraged between individuals, and I hold there are even stronger reasons why those who have to do with the shaping of public opinion should not further or countenance any measure which, by statute, would publicly encourage gambling. At this particular time in the affairs of our country and the world I feel there are additional reasons why parliament should frown upon any course of behaviour which is likely to make for more in the way of uncertainty in the lives of our people and the affairs of our country. What we require in the affairs of individuals and of the nation is less of uncertainty and more of certainty; less of instability and more of stability; less of reliance on chance and luck, and more reliance on judgment and effort. There is no doubt that much of the distress of the times has come about through excessive speculation during periods of prosperity, and far too many people, with respect to their own affairs, have got into the habit of relying upon chance and gambling in one form or another rather than upon prudent action and reason.

One feature in particular I very much dislike about this measure is that it attempts to effect under the guise of what is laudable something which is otherwise indefensible, a tendency with respect to legislation which is becoming far too general in this House of Commons. We have witnessed the same kind of procedure with respect to not a few other measures. Relief measures introduced to assist the unemployed have been made the means of enabling the government of the day to do away with that control which parliament should at all times have over taxation and expenditures. To meet the alleged necessities of an emergency, the government has taken to itself power to enact almost any measures in the name of peace, order and good government. Other measures, such as the one nominally to regulate marketing, have in reality to do with the restricting of imports and exports. We have had titles introduced in this country, for the purpose we are told of fostering loyalty; in reality they serve mostly to satisfy the weakness of human vanity. This measure introduced in the name of charity in order to assist hospitals, as a matter of fact, is simply the thin end of the wedge of an effort to increase possibilities of gambling, a tendency which at any time should not be encouraged by legislation.

Therefore I am in entire agreement with those who have opposed the measure, and shall most certainly vote for the amendment to give it six months' hoist. If by any chance the amendment should not carry, I shall vote against the bill itself.

The house divided on the amendment (Mr. Carmichael) which was agreed to on the following division:

YEAS

Messrs:

Anderson (Toronto-High Park)
Anderson (Halton)
Arthurs
Baker
Barber
Bell (St. John-Albert)
Bennett
Blair
Boucher
Bourassa
Bowen
Bowman
Boyes
Brown
Bury
Butcher
Carmichael
Casselman
Charters
Coote
Cowan (Long Lake)
Dickie
Dorion
Duranleau
Edwards
Elliott
Factor
Ganong
Garland (Carleton)
Geary
Gershaw
Gobeil
Golding
Gray
Guthrie
Hackett
Hanson (York-Sunbury)
Hay
Howard
Ilsley
Irvine
Johnstone
Kennedy (Peace River)
King, Mackenzie
Lacroix
Loucks
Lucas
Luchkovich
Macdonald (Kings)
Macdougall
MacInnis
Mackenzie (Vancouver Centre)
MacMillan (Mackenzie)
Macphail, Miss
McGillis
McIntosh
McKenzie (Assiniboia)
McLure
McPhee
Matthews
Moore (Chateauguay-Huntingdon)
Moore (Ontario)
Motherwell
Murphy
Myers
Neill
Peck
Perley (Qu'Appelle)
Pickel
Plunkett
Ralston
Reid
Rhodes
Rogers
Ryerson
Sanderson
Sauvé
Shaver
Simpson (Simcoe North)
Simpson (Algoma West)
Smith (Victoria-Carleton)
Speakman
Spence
Spotton
Sproule
Stanley
Stevens
Stewart (Leeds)
Stewart (Lethbridge)
Stirling
Sutherland
Taylor
Thompson (Simcoe East)
Thompson (Lanark)
Totzke
Tummon
Turnbull
Verville
Weese
Weir (Melfort)
Weir (Macdonald)
White (London)
White (Mount Royal)
Willis
Wright—105.

NAYS

Messrs:

Arsenault
Baribeau
Barrette
Beaubien
Belec
Bell (St. Antoine)
Bertrand
Boulanger
Bourgeois
Brasset
Casgrain
Chaplin
Davies
Denis
Deslauriers
Desrochers
Donnelly
Dubois
Dumaine
Dupré
Dupuis
Fiset, Sir Eugène
Fontaine
Fournier
Fraser (Cariboo)
Gagnon
Girouard
Hanson (Skeena)
Harris
Heaps
Jean
Laflèche
McGibbon
McGregor
Maloney
Mercier (Laurier-Outremont)
Mercier (St. Henri)
Michaud
Mitchell
Morand
Parent
Perras
Power
Raymond
Rhéaume
Rinfret
Roberge
Robinson
Ross
St-Père
Séguin
Stewart (Edmonton West)
Stitt (Nelson)
Stitt (Selkirk)
Tétreault
Thauvette
Veniot—57.

Mr. MacLEAN: I was paired with the hon. member for Royal (Mr. Jones). Had I voted, I would have voted for the amendment.

Mr. VALLANCE: I was paired with the hon. member for Wentworth (Mr. Wilson). Had I voted, I would have voted for the amendment.

Mr. RUTHERFORD: I was paired with the hon. member for South Essex (Mr. Gott). Had I voted, I would have voted for the amendment.

Mr. MULLINS: I was paired with the hon. member for St. Boniface (Mr. Howden). Had I voted, I would have voted for the amendment.

Mr. SMOKE: I was paired with the hon. member for Temiscouata (Mr. Pouliot). Had I voted, I would have voted for the amendment.

Motion (Mr. Fraser) as amended agreed to.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

Wednesday, May 23, 1934

The house met at three o'clock.

STANDING ORDERS

Mr. A. U. G. BURY (East Edmonton) presented the fifth report of the select standing committee on standing orders, and moved that the report be concurred in.

Motion agreed to.

DEPARTMENTAL REPORTS

Hon. C. H. CAHAN (Secretary of State): I wish to lay on the table copy of order in council P.C. 1042 dated May 21, 1934, ordering that the printer's copy of all departmental reports, complete in revised typewritten form, either in English or in the French language shall be delivered to the King's Printer on or before the first day of July in each and every year.

UNEMPLOYMENT RELIEF

Hon. E. N. RHODES (Minister of Finance): On behalf of the Minister of Labour (Mr. Gordon) I desire to lay upon the table copies of orders in council passed under the relief act, and also to lay upon the table the findings of the tariff board with respect to fruits and vegetables.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

MEDICAL OFFICER, R.C.M.P., REGINA

Mr. McPHEE:

1. Was Dr. Guest of Regina, Saskatchewan, appointed medical officer of the Royal Canadian Mounted Police at Regina?
2. If so, what was the date of his appointment?
3. How long has he served?
4. Has he been retired; if so, when?
5. Is he in receipt of pension for said service?
6. If so, how much?

Mr. GUTHRIE:

1. Yes.
2. 27th February, 1931.
3. Three years.
4. Yes, on the 27th February, 1934, as he had reached the age limit.
5. No, but he was granted three months' pay as gratuity.
6. Answered by No. 5.

LOANS TO ROUMANIA

Mr. McPHEE:

1. How much money was loaned by the Dominion of Canada to Roumania: (a) by direct loan; (b) by merchandise purchased by the government of Canada and charged to Roumania?
2. When was said loan made?
3. Was said loan granted by order in council?
4. If so, what is the date of same?
5. Has any of said loan been repaid?
6. How much is now outstanding on said loan?

Mr. RHODES:

1. (a) Nil; (b) $20,449,083.94.
2. 1919.
3. Yes.
4. P.C. 690 of April 2, 1919.
5. By agreement effected in 1922, the loan, which under the original terms would have been due in 1924, was funded and Canada received $23,969,720 of 4 per cent Roumanian bonds due in 1968.
6. $23,969,720, representing principal amount of loan and $3,520,636.06 of interest arrears consolidated as of December 31, 1922. Interest arrears on bonds, $838,932.50.

MOTIONS FOR PAPERS

UNEMPLOYMENT RELIEF

Mr. GOBEIL:

For a copy of the schedules of works approved by the federal government under the Unemployment and Farm Relief Act, 1931, and the Relief Act, 1933, for the federal con-

stituency of Compton, showing the accounts received with respect to each schedule, the dates on which such accounts were reecived. the dates on which payment of same were made to the province, and, in the case of municipal works, the dates shown on the accounts as that on which they were received by the province from the municipality.

Mr. GOBEIL:

For a copy of all correspondence exchanged between the Department of Labour and the provincial authorities of Quebec concerning the non-payment of those employed on relief works being carried out by the province prior to the receipt by the province of the federal government's share.

ST-CELESTIN, QUE., POSTMASTER, DISMISSAL

Mr. DUBOIS:

For a copy of all telegrams, correspondence, letters, petitions and other documents, respecting the dismissal of Mr. Eloi Girard, postmaster of the village of St-Celestin, county of Nicolet.

ONTARIO ELECTION

On the orders of the day:

Mr. F. G. SANDERSON (South Perth): I have a question which I desire to ask the Prime Minister. I have noticed that the Postmaster General is advertised to speak to-morrow night in the town of Hawkesbury in the county of Prescott, province of Ontario, in support of the Conservative candidate in the provincial election. My question is this: Is it the policy of the government that ministers of the crown shall move from one province to another to take part in provincial elections—for instance, a minister from the province of Quebec coming into the province of Ontario?

Right Hon. R. B. BENNETT (Prime Minister): The question requires no answer.

Mr. SANDERSON: On a question of privilege, I asked a question of the Prime Minister and I did not catch what was said. Did Your Honour rule it out of order?

Mr. SPEAKER: It is not a question that could be put to the government. Members of the cabinet are free agents to speak as they choose.

Mr. SANDERSON: Is Your Honour speaking on behalf of the government?

Mr. SPEAKER: The question is frivolous.

CONSTRUCTION CAMPS

WITHDRAWAL OF REGULATION PROHIBITING THE HOLDING OF POLITICAL MEETINGS

On the orders of the day:

Hon. D. M. SUTHERLAND (Minister of National Defence): With regard to the question asked the other day by the right hon. the leader of the opposition (Mr. Mackenzie King) regarding political meetings in camps, I might say that in October last year, at the time of the provincial election, in British Columbia a regulation was established that there should be no political meetings held in the camps. To the best of my knowledge no complaints were received from any party with regard to that regulation. When the provincial election in Ontario was called the same regulation was in effect and letters were sent out to the superintendents at the camps so stating. Now the situation in Ontario is that the provincial government also have camps, and I find on inquiry that they have not any similar regulation; they permit meetings in the camps. Under these circumstances it has been thought wise to withdraw the regulation that was issued by our department and to permit the same state of affairs to exist as prevails in the provincial camps, so that meetings will be allowed. The hon. member for Kenora-Rainy River (Mr. Heenan) came to the department on Saturday to present the case and he was assured that he would be given every courtesy at any camp that he might desire to visit.

Mr. TOTZKE: Does the same rule apply to Saskatchewan?

Mr. SUTHERLAND: The same would apply to Saskatchewan.

Mr. WOODSWORTH: Does that rule apply to all political parties?

Mr. SUTHERLAND: Yes.

UNEMPLOYMENT RELIEF—PUBLIC WORKS

On the orders of the day:

Mr. VINCENT DUPUIS (Laprairie-Napierville): I would like to know from the ministry if it is the intention of the government to undertake public works and especially to give contributions toward public road building under the Unemployment Relief Act because last year many municipalities asked for federal contributions.

Some hon. MEMBERS: Order.

Mr. DUPUIS: May I be permitted to put my question? Last year many municipalities asked for aid—

Some hon. MEMBERS: Order.

Mr. DUPUIS: Am I in a British country or not?

Mr. SPEAKER: If the hon. member is asking a question of the government, will he proceed to do so? This is not the time for debate.

Mr. DUPUIS: I was about to put the question.

Right Hon. R. B. BENNETT (Prime Minister): The hon. member has put the question and I was about to answer it. The question is very simply answered. Any negotiations with respect to aid given to municipalities in regard to public undertakings, roads, etcetera, must come through the provincial governments as heretofore.

Mr. DUPUIS: What will be the attitude of the federal government if a provincial government decides to build public roads?

Mr. BENNETT: The decision will be made known when the applications are made, and to the government, not to the hon. member.

Mr. DUPUIS: Many applications have been received from the provincial government and no decision has yet been made.

BUREAU FOR TRANSLATIONS

Hon. C. H. CAHAN (Secretary of State) moved that the house go into committee on Bill No. 4, respecting the bureau for translations.

Motion agreed to and the house went into committee, Mr. Bury in the chair.

On section 1—Short title.

Mr. BOUCHARD: May I ask the Secretary of State whether he intends to propose any amendments to this bill? We were led to believe by the fine speeches that were delivered by some of the ministers and supporters of the government that amendments were to be introduced. Is that the intention?

Mr. CAHAN: I was not aware that any suggestion had been made to the minister that amendments to this bill should be made on his motion. The bill passed the house by a majority of fifty-seven and was referred to a select committee. That select committee has reported the bill as it stands.

Mr. POULIOT: On this point, may I say that the vote was taken with the understanding that we could make proper amendments to the bill? I was asked by my leader to sit on that committee which was composed of seven members. The senior member for Ottawa (Mr. Chevrier) and I were the two Liberal members; the hon. member for Vancouver South (Mr. MacInnis) represented the independent parties in the house, and there were four Conservative members. What the senior member for Ottawa and I did in this matter was to try to get the best available information about the translation business. May I say how much we have regretted the fact that the Secretary of State left the committee when we asked him to stay there in order to answer some questions that we thought proper to ask of him?

Mr. CAHAN: May I interrupt the hon. member? That statement is entirely without foundation in fact. I was not a member of the committee. I appeared before it for the purpose of making one statement as to the responsibility the government assumed with regard to the translation of the speech from the throne. Having made that statement I left the committee and was not requested by it to return.

Mr. POULIOT: I have much respect for the Secretary of State and he knows this more than anyone else.

Mr. SPOTTON: That helps.

Mr. POULIOT: I have great compassion for those who live under the same roof as the hon. member for North Huron (Mr. Spotton) because if he snores as loudly as he breathes, no one could sleep where he was.

I was saying that I have much respect for the Secretary of State and I admit that he came to the committee to make a statement; that he made it and that afterwards, as he says, he left. While he was still in the committee room I said: "Please stay here because I have questions to ask you." Nevertheless he left. I said this in an audible voice.

Mr. CAHAN: I am not a member of the committee. I am a minister of the crown. If the committee wishes to hear me I will attend. I was summoned on a similar occasion before the Senate committee and I attended, but I do not recognize the hon. gentleman as the voice of the committee. There is the ordinary procedure to be followed.

Mr. POULIOT: This shows us the way we have been treated in that committee. Everything that came from either the senior member for Ottawa or myself was entirely disregarded. What I said to the hon. gentleman was that I wanted to ask him for some information as a member of a committee appointed by this house, and what is forgotten now is that the committee on the civil service, of which we were members, was not a committee of the government, which is itself a committee of the house, but was a committee of the house; and to that committee the hon. gentleman (Mr. Cahan) came as the

member for St. Lawrence-St. George. He did not come as a minister of the crown; for in the committee every member of the committee is equal to every other member. For instance, to make a comparison, the price spreads committee is headed by the Minister of Trade and Commerce (Mr. Stevens), but he does not sit there as a minister; he sits as a private member—

Mr. CAHAN: I was not a private member; I was not a member of the committee at all.

Mr. POULIOT: No, but I wanted you as a witness.

Mr. CAHAN: Why did you not ask them to summon me as a witness?

Mr. POULIOT: It was superfluous to summon the hon. gentleman when he was right there. He was on the spot. I asked him as a favour—not as a favour, but I thought it my duty to tell him that I wanted to ask him for some enlightenment about the statement he had made—

Mr. CAHAN: You may ask the question now. We are in committee of the house, and you are entitled to ask it.

Mr. POULIOT: Well, I am relating what happened, and what the hon. member for St. Lawrence-St. George has just said confirms exactly and absolutely what I said before. Therefore he was wasting the time of the house when he rose to contradict me, because he has just corroborated what I said. Now, sir, the hon. senior member for Ottawa (Mr. Chevrier) and myself have taken our duties most seriously.

Some hon. MEMBERS: Oh, oh.

Mr. POULIOT: We have been searching for truth, and we got it drop by drop, while I was abused by the chairman of the committee and by the hon. member for Queens-Lunenburg (Mr. Ernst) who spoke about the duplicity and simplicity of the member for Temiscouata. The hon. member for Dauphin (Mr. Bowman), who was then the acting chairman of the committee, found those words so unparliamentary that without any request from me he had them struck from the record. Then when I was mentioning to the committee that one of the recommendations that had been made by the committee two years ago—

Some hon. MEMBERS: Oh, oh.

[Mr. Pouliot.]

Mr. POULIOT: Is there some barking? My hon. friend from Restigouche-Madawaska (Mr. Michaud), with whom I fought the last campaign, said we were going to the dogs; well, I hope the bill will have the same fate. When I mentioned in that committee the fact that two years ago one of the recommendations of the committee was to superannuate the three civil service commissioners I wondered how it happened that the chairman of the commission, whose superannuation had been recommended by the committee, is still enjoying his job. I did not understand why the government had not complied with that recommendation of the committee. One reason for that recommendation of the committee two years ago was that the chairman of the civil service commission was too old to sit there. Two years have elapsed and yet he keeps his job, while two others have been superannuated. Also as a French Canadian and a French speaking member of this house I felt it very much that although one of the civil service commissioners is French speaking an order was passed by the commission that the commissioner who should come before the committee to give evidence about translation was not the French speaking civil service commissioner, who was supposed to have had some experience in translation, but another gentleman. For him I have great respect; he has shown great ability while giving evidence in the committee; it is my duty to give praise to whom praise is due. Nevertheless as a French speaking member of this house I resent very much the fact that the civil service commission decided that the man who was to give evidence on translation was not bilingual, while another civil service commissioner was. I regard it as an outrage on the French speaking members of this house. I submit this dilemma to the Secretary of State, who has the responsibility of reporting to the house about the civil service commission; either Mr. Potvin, the French speaking and bilingual civil service commissioner who has been a translat-"or", as the chairman of the committee would say, and was a distinguished civil ser-"vant", as the chairman would say, is competent or he is not. If he is competent, the civil service commission has no excuse whatever for not sending him to the committee to give explanations about the matter of translations; if he is incompetent, the government have no excuse for having appointed him to such a high post. I shall be glad to see how the Secretary of State escapes that dilemma. As one of the French speaking members I told the committee that the chairman should have

been superannuated, instead of giving instructions to send to the committee another gentleman who was not bilingual. The chairman of the committee said he would not let me abuse anyone. Is that parliamentary? Is that the way the chairman should treat one of his colleagues who sits with him at the committee table? I resented that so much that after having fulfilled my duty by sitting on the committee until the bill was through I have to-day sent to my leader my resignation as a member of the committee, telling him that I would sit there no more; I said that in the committee this morning.

I have no complaint to make about some other Conservative members, such as the hon. and genial member for Dauphin (Mr. Bowman). He is a gentleman and it is very pleasant to sit with him. I will say the same thing for the hon. member for Vancouver South (Mr. MacInnis) and for the hon. member for Jacques Cartier (Mr. Laurin). It is right to tell the truth; I am here to report what has been done in this committee and all the trouble that my distinguished colleague the senior member for Ottawa and myself had in this committee while we were seeking for truth. In fact, sir, we have found a flat denial of what was said by the Secretary of State in the house and in the Senate committee; a flat denial!

Mr. CAHAN: If the hon. gentleman accuses me of a false statement in this house he should refer to the statement, because I am prepared to stand behind every statement that I knowingly made in this house in respect to this bill.

Mr. POULIOT: Sir, I will tell the truth to the committee of the whole, even if some hon. members do not like it. They may take that tip and they may be sure that I will not follow the example of the Prime Minister in 1930, but I will fulfil my promises. Well, sir, now we shall see what has been said by the hon. gentleman.

An hon. MEMBER: No, no, don't open that!

An hon. MEMBER: Did you bring your lunch?

Mr. POULIOT: I have here the evening Citizen of April 26, 1934. The same statement appeared in the Journal. This, sir, is not a comment of a newspaper on a debate in the house, but it is my only available report of what the Secretary of State said in the Senate committee.

Mr. CAHAN: My statements in the senate committee were reported verbatim by the reporter of the senate committee, and by that report I would be prepared to stand, but I am not prepared to stand by whatever appeared in some newspaper report. I do not know to what the hon. gentleman refers, but there is a stenographic report of what I said in the Senate.

Mr. BOUCHARD: Can we get a copy of this report?

Mr. CAHAN: I have no idea.

Mr. POULIOT: Has the Secretary of State a copy of that report?

Mr. CAHAN: No, I have not.

Mr. POULIOT: I have one. I shall read it.

The CHAIRMAN (Mr. Bury): The hon. member may not refer to a report of the Senate committee.

Mr. POULIOT: May I not quote the report in this committee when I am challenged by the Secretary of State?

The CHAIRMAN (Mr. Bury): That does not make it in order.

Mr. POULIOT: Will you please refer me to the rule which says that I may not quote evidence given before the Senate? What about Beauharnois?

Mr. CAHAN: The evidence given before the Senate committee was not in relation to this bill. I am responsible to this house for what I said in this house with respect to this bill, and I said that so far as I was aware those statements were accurate. I do not think there is any member on either side of the house but has respect for my integrity in respect of speaking the truth.

Mr. POULIOT: That is all right, but does the hon. gentleman contend that he is responsible only for what he says from his seat in the house and that he takes no responsibility of what was said before the Senate committee?

Mr. CAHAN: That had no reference to this bill.

Mr. POULIOT: Did not the hon. gentleman, while before the Senate committee and speaking with regard to the translation business, say that the establishment of a bureau of translations would mean a saving of from $75,000 to $80,000 a year by the elimination of resetting and other work now necessitated through revisions and corrections, and that the work of the printing bureau would be speeded up?

Mr. CAHAN: I certainly did not state that or anything to that effect; I pledge my honour to this house that I did not do so.

Mr. CHEVRIER: Will the hon. gentleman permit the production of a stenographic copy of what was said before the Senate committee?

Mr. CAHAN: I simply pledge my honour to this house that I did not say that.

Mr. POULIOT: Then I move, seconded by Mr. Chevrier, that the committee rise and report progress until the Secretary of State has tabled his own evidence given before the Senate committee.

Mr. BOUCHARD: Mr. Chairman—

Mr. POULIOT: Here we have evidence of the way we have been treated before the committee, and in the same kaiser-like fashion the members of the government who sat on that committee took their instructions from a member of this house in his capacity as minister of the crown—I mean the Secretary of State—although he had no authority because he was not a member of the committee. Am I to take it, then, that the reporters of the Citizen and the Journal, who asserted the same thing in their newspapers, are both liars?

Mr. CAHAN: The hon. gentleman is bound to take my statement in denial. I have pledged my honour that I did not make a statement to that effect in this house or before the Senate committee, and so far as this debate goes I insist that the hon. gentleman retract that statement.

Mr. POULIOT: I did not make any statement; I asked if the Secretary of State meant that the reporters of the Journal and the Citizen were liars, or that they had imagined these things.

The CHAIRMAN (Mr. Bury): The hon. member could not have asked that question without implying that the statement—

Mr. POULIOT: No.

The CHAIRMAN (Mr. Bury): Just allow me to finish. The hon. gentleman could not have asked that question without implying that the statement of the Secretary of State was not true.

Mr. POULIOT: On a point of order, sir, before you give your decision I ask you for a chance to explain my case, just as I would ask in a court of justice. You, Mr. Chairman, are an able lawyer, and will understand the situation. I wish to explain it point by point. I asked if the reporters of the Journal and the Citizen—

The CHAIRMAN (Mr. Bury): Is the hon. member debating my ruling?

Mr. POULIOT: I am not saying that; I am showing how I might have put it if I had been out of order. If I had suggested that the reporters had been correct in imputing that language to the Secretary of State, following the flat denial of the hon. gentleman it would have meant that the Secretary of State was a liar, but I have not used those words. Had I done so I would have withdrawn them at once, because I would have been out of order. But if in accordance with the rules of the house, which I know by heart, I say this, does not the Secretary of State mean that those two reporters are liars? If he says yes, it means that the hon. gentleman is telling the truth and the reporters have lied. And therefore—

Mr. CAHAN: Just a minute—

Mr. POULIOT: That is the question.

Mr. CANTLEY: Oh, oh.

Mr. POULIOT: What does the hon. member for Pictou know about these distinctions which go far above his head?

The CHAIRMAN (Mr. Bury): I understand the hon. member's point. It is not a question of the Secretary of State having to answer. The point is this: Does the hon. member for Temiscouata charge the Secretary of State with having made a false statement?

Mr. POULIOT: No, not at all, no. I did not. I said that there was something wrong somewhere, and if the Secretary of State is right the reporters are wrong.

The CHAIRMAN (Mr. Bury): The Secretary of State has nothing to do with the reporters, but he has to do with the charges suggested by the hon. member for Temiscouata.

Mr. POULIOT: I made no charge.

The CHAIRMAN (Mr. Bury): Well, if the hon. member for Temiscouata is not charging the Secretary of State with making false statements, that is all we need to know.

Mr. POULIOT: I never did.

The CHAIRMAN (Mr. Bury): All right.

Mr. POULIOT: And I will tell you right now, sir, that my idea is not to cause trouble to the Secretary of State, but to give him a chance to explain, to rise to a question of privilege and to speak. I regret that he has not done so before this. I regret that he has not said, "I am credited with this and that statement; I deny them absolutely, and they are utterly false."

Mr. CAHAN: Mr. Chairman, I will not permit the hon. member, without retaliation, to repeat his deliberate statement that I have falsified the facts either in this house or in any other place.

Mr. VENIOT: He did not say that.

Mr. CAHAN: I say now that when I was asked in the Senate committee to make a statement with regard to the matter they had in hand, namely the cost of Senate translation, I said what I had said in the House of Commons. I had my previous statement before me when I made the statement before the Senate committee. The words may have been different, but what I said in this house and that which I adhere to, appears at page 982 of Hansard as follows:

Now it was ascertained by one of the committee under the control of the treasury that the setting up in type of these corrections made in the text after it had been set up in type and sent for revision—not all French, but a great deal of it, some of it being in English—over a series of years, in wages in respect of the resetting of that type, after it had been first set up in the printer's text, varied in cost from $75,000 to $80,000 a year during a number of years preceding 1933; and in the first ten months of 1933 the setting up of such changes as those I have mentioned cost $52,000.

That is the report made to me over the signature of the comptroller of the treasury and some others on the committee. That is the statement I made in this House of Commons and the purport of the statement I made when I was questioned by the Senate committee with regard to the matter.

Mr. POULIOT: That is all right, sir. Now let us read what Mr. Bronskill said at the sitting of the civil service committee held on May 9 of this year. Mr. Bronskill is the accountant of the printing bureau, and also a representative of the treasury. His examination is, in part, as follows:

Q. Would it be possible for you to tell the committee the cost of author's alterations and the cost of typesetting due to errors in translation?

A. Well, I do not know quite why you refer to translation. So far as we are concerned, it is an author's alteration that is a change in the proof made by the author. The cost of that for the year 1933-34 is given at $58,000.

Q. Yes. Well, it is pretty hard to tell how much of that money is due to translations—to French corrections or English corrections?

A. It would be very difficult.

Q. You say it would be very difficult?

A. Yes.

Q. And therefore, it is all put together?

A. Yes.

Q. Without knowing exactly what amount is due to the corrections of the French groups and the corrections of the English groups?

A. That is correct, sir.

Q. Has it not come to your knowledge that very often there are also mistakes of the typesetters which are corrected by the author?

A. They would be errors in typesetting which have been overlooked by the proofreader of the printing bureau?

Q. Yes.

A. Which would be noticed by the reviser—the author?

Q. Yes.

A. That might occur.

Q. But the proof is read first at the printing bureau and revised there?

A. Yes.

Q. And that costs something, naturally?

A. Naturally.

Q. And is that charged to author's alterations or composition?

A. No, sir; it is charged to office corrections; it is included in the composition.

Q. And those author's alterations represent the cost of that revision at the printing bureau?

A. Yes.

Q. And that cost is charged to each department?

A. Yes, sir.

Q. Without any distinction with regard to French or English?

A. Yes, sir.

Q. Therefore, no one can say that that cost of author's alterations, $58,000, is due to translation?

The answer was "No," but it is not here in the report of the committee; it was struck out. When Mr. Bronskill appeared before the committee the following question was asked: "Therefore, no one can say that that cost of author's alterations, $58,000, is due to translation?" And he said, "No." It is on record in the Ottawa newspapers and anyone can see it, but it is not in the report of the committee. It has disappeared. I wonder if the type fell when the matter was typeset, or if it is a reporter's clerical error. My ears did not deceive me when I heard Mr. Bronskill make the answer, and my eyes did not deceive me when I read the report in the press. But I cannot read the answer in the report of the committee, because it is not there. Mr. MacInnis said afterwards:

To mistakes in translation?

The Witness: That is quite true. It must be taken together as both English and French.

Mr. Pouliot: Thank you.

That was the evidence which was given.

Mr. CAHAN: It is not inconsistent in any way, shape or form with my statement to this house.

Mr. VENIOT: The less you say of that, the quicker this bill may get through.

Mr. SPOTTON: Is that a threat or a promise?

Mr. POULIOT: The hon. member for North Huron should remember that David killed Goliath with a small stone. There is absolutely no reason for this bill, Mr. Chairman, and I shall have an opportunity later on to show that this bill is just as much a waste of time for those who drafted it as it was a waste of time for those who took the time to study it in committee because all the enlightenment that we have received on this bill has been of no use. This bill is just as much out of place in these very times as was the discussion about titles or the discussion about sweepstakes or the amendments to the Indian Act and the Migratory Birds Act. This is futile legislation.

At the first sitting of the committee at which this bill was studied I asked the committee to give me the opportunity of going to the civil service commission and seeing the files of the translators. That opportunity was given to me by a majority of the committee, and I am thankful to the committee for that. I went to the office of the civil service commission during the Easter recess and I spent two or three days at that office perusing those files and also perusing file number thirty-three of the civil service commission. I shall refer to what I saw there.

I was prudent enough to ask Mr. Bland, one of the civil service commissioners, if there was anything confidential in that file and he told me no. If he had said there was anything of a confidential nature in that file I would not have insisted upon seeing it, but I had full liberty to peruse it, and I will tell you, sir, of what I saw on those few sheets of paper, and I am sure that the hon. Secretary of State will not deny a word of what I am going to say. I am not going to spend any time reading what I read there, but it is engraved upon my memory and my memory does not fail me. I do not suffer from amnesia.

The first letter, Mr. Chairman, is a memorandum sent by the Clerk of the House to the Prime Minister in February of last year—not this year—about the translation business. The matter was examined at a sitting of the council and then left aside until the right hon. the Prime Minister left in June for the economic conference, and then he handed the whole thing over to the Secretary of State asking him to kindly see to it.

Mr. WOODSWORTH: Mr. Chairman, I rise to a point of order. I have been listening for half an hour to what the hon. member has been saying and I cannot see that it relates in any way whatever to the bill before the house. For some considerable time there was a matter that might possibly have been brought up on a question of privilege or something of that kind, and another matter that might have been brought up in some other form relating to what was said to the hon. Secretary of State, but now the hon. member is off on an examination of certain files in the office of the civil service commission. That is not directly related to the bill, and I ask, Mr. Chairman, that you exercise your authority in keeping us somewhere within sight of the bill.

Mr. POULIOT: Sir, in answer—

Mr. WOODSWORTH: I do not think there is any answer required.

Mr. POULIOT: Well, sir, we live under Stalin now apparently; we are in Russia. I do not see how the hon. gentleman can preach freedom of speech and ask for the repeal of section 98 when he will not allow a member of this house to answer him on the point of order that he raised.

Mr. ST-PERE: He is a Tory.

Mr. POULIOT: I am much disappointed in him because personally I had a different idea of him, but notwithstanding section 98 I believe I am fully entitled to answer the hon. gentleman on the point of order.

The CHAIRMAN (Mr. Bury): Will the hon. member address himself to the point of order?

Mr. POULIOT: Thank you, sir. My answer, not to the point of order, but my answer to that is this. Naturally I have something else to say. I am speaking about the conception of the bill. I am speaking about how it originated in order that the house may understand why we have this bill now before us, and I believe everything should be discussed from Alpha to Omega, from A to Z, and now I am at A.

Mr. CAHAN: Mr. Chairman, I wish not only to speak to the point of order raised by the hon. member for Winnipeg North Cen-

tre, but the hon. member for Témiscouata has proceeded to refer to certain confidential inter-departmental correspondence evidently between the Prime Minister and myself, and between deputies of other departments, which he happened to see on a file in the office of the civil service commission where he attended and inspected documents. These certainly have not any reference to the merits of this bill, and cannot be referred to in this debate unless they are brought down and laid upon the table of this house.

Mr. POULIOT: In answer to that, Mr. Chairman—

Mr. WOODSWORTH: Mr. Chairman, I ask you to rule on the point of order.

Mr. POULIOT: Before you rule, Mr. Chairman, I have to answer Stalin.

The CHAIRMAN (Mr. Bury): The first point of order has been raised by the hon. member for Winnipeg North Centre, and the hon. member for Témiscouata is, I suppose, answering it.

Mr. POULIOT: Yes, sir, but you know—

The CHAIRMAN (Mr. Bury): I would ask the hon. member to make his answer.

Mr. POULIOT: I am just as patient as a lamb, Mr. Chairman. Let me put to you the position I am in. It is most difficult and I wish to explain it to you, and after I have done so I am sure you will agree with me. But it is a delicate matter, because I have to discuss the whole thing.

The CHAIRMAN (Mr. Bury): If the hon. member cannot reply to the point of order raised by the member for Winnipeg North Centre I shall have to hold him out of order.

Mr. POULIOT: I am not speaking to the bill now; I am speaking to the point of order exclusively, and my position is the more embarrassing because I am arguing with one of the most eminent lawyers—I mean the Secretary of State.

The CHAIRMAN (Mr. Bury): I must ask the hon. member to confine himself to the question as to whether he is speaking to the bill in what he is saying.

Mr. POULIOT: Pardon me, sir.

The CHAIRMAN (Mr. Bury): The hon. member has spoken more than forty minutes anyhow.

Mr. POULIOT: No, because the Secretary of State interrupted me and spoke.

The CHAIRMAN (Mr. Bury): I rule the hon. member out of order; he has not been able to show that he is speaking to the bill.

Mr. POULIOT: You did not give me an opportunity.

The CHAIRMAN (Mr. Bury): The hon. member has had ample opportunity in the last ten minutes.

Mr. POULIOT: I will not compare you, sir, to the gentleman who was chairman of the committee.

The CHAIRMAN (Mr. Bury): I must ask the hon. member very quickly to make his answer to the point of order raised by the hon. member for Winnipeg North Centre.

Mr. CHEVRIER: What is the point of order, Mr. Chairman?

The CHAIRMAN (Mr. Bury): The point of order is that the member for Témiscouata (Mr. Pouliot) has not been addressing himself to the bill; he has been speaking on matters altogether apart from the bill, matters having nothing to do with the bill.

Mr. BOUCHARD: May I suggest that the point of order is a dual one. On the one hand the hon. member who raised the point of order suggested that the hon. member for Témiscouata was discussing a matter that was unrelated to the bill. I do not think that point of order is well taken because, as the hon. member for Témiscouata explains, it deals with the inception of the bill, the first steps that were taken to bring this bill before us. On the other hand the Secretary of State referred to the other point, which is, I understand, the fact that the hon. member for Témiscouata referred to a departmental file to which he is not entitled to refer. Now which is the point of order? We want to know before we are able to discuss it.

The CHAIRMAN (Mr. Bury): The member for Winnipeg North Centre raised the point of order that the member for Témiscouata was out of order because he was not speaking to the bill.

Mr. MACKENZIE (Vancouver): What is the section before the committee?

The CHAIRMAN (Mr. Bury): The short title.

Mr. MACKENZIE (Vancouver): We had this point ruled upon several days ago in connection with the marketing bill. We discussed every single possible development of the marketing bill under the title, and that is a very well established rule of procedure in this house.

The CHAIRMAN (Mr. Bury): I am not questioning that but I am questioning the relevancy of the argument of the hon. member for Témiscouata.

Mr. POULIOT: You did not hear me. I am most courteous to all members—

Mr. VENIOT: On the point of order. There are two points of order before the chair. In the first place I am going to discuss the point of order raised by the member for Winnipeg North Centre, but before doing so I wish to point out that the Secretary of State was himself out of order in raising the point of order he did as against the hon. member because there was a point of order before the chair to be decided. Now let me come to the point of order raised by the member for Winnipeg North Centre, that the matter being discussed by the member for Témiscouata is not relevant to this bill. Let me point out that the committee that examined and investigated this bill has reported and its report contains—what? It contains all the evidence taken in connection with this bill. The hon. gentleman is therefore perfectly in order in dealing with anything in the evidence that pertains to this bill, and in discussing the evidence.

Mr. DUPRE: The member for Témiscouata was speaking about a file he had read in the offices of the civil service commission.

Mr. VENIOT: I am coming to that; that point of order was raised—

Mr. DUPRE: It is on this question that the point of order has been raised.

Mr. VENIOT: That point of order was specifically stated by the Secretary of State. The first point of order was, "We have been listening"—those are the words—"We have been listening for over half an hour to the discussion of matters not relevant to this bill."

The CHAIRMAN (Mr. Bury): May I intervene. The point of order raised by the member for Winnipeg North Centre was that after having listened to the member for Témiscouata for half an hour on matters which he, the member for Winnipeg North Centre, considered out of order, he would ask a ruling on that point. Then the member for Témiscouata opened up another subject, dealing with a file in one of the departmental offices—I think I am correct in saying that—and the point was that this was out of order.

Mr. VENIOT: In that regard—

An hon. MEMBER: Give your decision, Mr. Chairman.

Mr. VENIOT: We have some privileges here and we are going to exercise them, and you have not enough strength on the other side to put me down; let me tell you that. I will listen to the chairman but not to members opposite directing me as to how I should act. The member for Témiscouata made the statement that he asked of the committee the privilege to go and examine files in the offices of the civil service commission, and on that privilege being granted he went there. He said he discovered certain things, and I submit that he has a right, if those things appertain to the inception of this bill, to deal with them. But I would go a step further. I want to be fair in this matter and I will say that if those files are departmental secrets, privileged reports between officials of the department and the minister, and should not be used on that account, then the member for Témiscouata has no right to use them. I will go that far.

Mr. CAHAN: May I interrupt the hon. member? A motion was made in this house to bring down that correspondence; the matter was definitely referred to and came before the house. The Prime Minister objected that it was correspondence between departmental officers and the house decided that it should not be brought down.

Mr. VENIOT: I am not discussing the Secretary of State's statement in that regard. The first point of order taken referred to the action of the member for Témiscouata in referring to these files, and that point of order was not well taken because he had the privilege and the right, granted him by the committee, of examining those files.

The CHAIRMAN (Mr. Bury): That assumes that the committee had power to give him the right to examine those files as a private member of the committee.

Mr. VENIOT: They had the power to give him that right, but I do not say that they had the power to give him or did give him the right to discuss the contents of the file in this house.

Mr. CAHAN: In the report of the committee and in the evidence there is no statement that the hon. gentleman was authorized by this select special committee to exercise such a right. I understood he went of his own option.

Mr. POULIOT: I rise to a question of privilege. I will tell you first of all that I am not a sneak. The hon. member for Dauphin is here; the senior hon. member for Ottawa is here; unfortunately the hon. member for Jacques Cartier is not here nor do I see the hon. member for Queens-Lunenburg; but the hon. member for Vancouver is here. We were all members of the committee and any one of them can tell this committee of the whole that when the matter came up before the committee at a sitting of which there is no report, no official report, I told the committee I wanted the civil service commission to send all files with regard to translators, all files that the civil service commission had with regard to translators, without any exception.

Mr. WOODSWORTH: Is the hon. member now speaking on the point of order? He has already spoken two or three times on it.

Mr. POULIOT: Mr. Chairman, you know very well that the hon. member for Winnipeg North Centre has no knowledge of law. You are a lawyer and I am addressing you as one.

The CHAIRMAN (Mr. Bury): Will the hon. member keep to the point?

Mr. POULIOT: It is not my fault. I would like to have the hon. member gagged, but I cannot.

The CHAIRMAN (Mr. Bury): Keep to the point of order.

Mr. POULIOT: I am most courteous to every member who gives me a chance to explain my point, but now I am a real martyr.

Some hon. MEMBERS, Oh, oh.

Mr. POULIOT: I receive arrows from all sides.

The CHAIRMAN (Mr. Bury): The hon. member must speak to the point of order.

Mr. POULIOT: What I say to you, sir, is that I appeal to my colleagues who were sitting with me at the committee table and who are now present in the committee of the whole. If I do not tell the truth now it is up to them to rise and say that I am wrong. As I have no written evidence of this phase of the matter I have to ask for their evidence and recollection. I took the trouble to study the matter carefully and I asked the committee if it had any objection to my suggestion. What was the resolution of the House of Commons appointing the committee of which I am a member? It is dated February 16, 1934, and it reads:

That a select special committee of this house be appointed, to consist of seven members, to be hereinafter named, to inquire into and report upon the administration and operation of the Civil Service Act as amended, with instructions to inquire into and report concerning the repeal or amendment of any of the provisions of the said act or the substitution therefor or addition thereto of other provisions, as the committee may deem advisable, with power to send for persons, papers and records, and to examine witnesses, and to report from time to time to this house.

I suggested first to the committee that the whole file should be brought before it and some objection was made on account of the fact that the file was quite voluminous. Then I suggested to the other members, in order to save time, that while the bill was still in committee I be permitted to go to the civil service commission myself, and during the Easter recess I went there to peruse those files in accordance with the power which I was given by the members of the committee My colleagues will admit that. I said that it was important to get at the origin of this bill in order to know for what purpose or how it originated.

The CHAIRMAN (Mr. Bury): If the hon. member has dealt with the method by which he came to know the subject matter of the files, I am prepared to give my ruling. It is this: That whatever may be said as to the power or right of the committee to requisition those files, I hold that the mere fact the committee said they had no objection to one of their number seeking to get inspection of the files, does not make those files official records of the committee and does not make the information that he privately got from the files official records of the committee. Therefore I hold that references to the files are out of order.

Mr. POULIOT: May I tell you this, that the civil service commission—

The CHAIRMAN (Mr. Bury): Is the hon. member arguing the ruling?

Mr. POULIOT: No, but I ask you kindly to reconsider your decision.

The CHAIRMAN (Mr. Bury): No, I understand the hon. member's point perfectly. He wished to have the files brought before the committee. The committee did not see its way to requisition the files. The hon. member asked the committee whether it would have any objection to him personally inspecting the files. The committee said that it had no objection; at least, so the hon. member himself said; there is no record of it in the report.

He states that the committee intimated that it had no objection to the hon. member seeking to get inspection for himself of the files. I hold that that does not make his knowledge of the files official knowledge of the committee on which this house can act.

Mr. POULIOT: May I read an extract from the report of the committee? Would I be in order to read an excerpt from the report of the standing committee?

The CHAIRMAN (Mr. Bury): That is, of the special committee?

Mr. POULIOT: Yes. I will give the date The report, which is printed, is before the house.

The CHAIRMAN (Mr. Bury): What bearing has that on my ruling that the hon. member was out of order in bringing those files into the discussion now? I rule him out of order in that respect and in addition he has spoken for more than forty minutes.

Mr. POULIOT: I have been interrupted.

The CHAIRMAN (Mr. Bury): I have ruled on the point of order and that is disposed of.

Mr. CHEVRIER: With your decision as it stands, based upon the facts as you have placed them before the committee, I cannot quarrel. If those were the facts then your decision would stand, but as those are not exactly the facts in regard to the matter, then of course your ruling cannot stand.

The CHAIRMAN (Mr. Bury): All I will say to the senior member for Ottawa is this: I took the facts and I stated them to the committee precisely as the hon. member for Temiscouata had stated them to the committee and to me and on the facts as stated by him I hold him out of order.

Mr. CHEVRIER: If I put the facts—

The CHAIRMAN (Mr. Bury): No, the hon. member cannot do so. The hon. member for Temiscouata has stated his facts and he is out of order on his facts. In addition, he has spoken for more than forty minutes and, I will have to ask him to take his seat.

Mr. POULIOT: On a point of order—

The CHAIRMAN (Mr. Bury): The hon. member has had tremendous latitude from this committee.

Mr. BOUCHARD: Not on a point of order but on a point of honour I would like to—

[The Chairman.]

The CHAIRMAN (Mr. Bury): Do I understand that the hon. member is raising a point of order?

Mr. BOUCHARD: No; I am speaking not on a point of order but on a point of honour. I would like to ask a question of the Secretary of State who, when the bill was first introduced into the house, gave very fragmentary evidence to prove that the speech from the throne so often referred to first by the hon. member for Temiscouata, later by me and by a few other hon. members, was well translated. He read just two letters. I regret very much that at the time I did not ask the Secretary of State to table the letter that he read from an eminent man, as he said, Canon Emile Chartier, vice-rector of the university of Montreal. He read the letter which was an approval of the translation of the speech from the throne.

The CHAIRMAN (Mr. Bury): If I may interrupt the hon. member, I hardly think he is in order in discussing a matter arising out of the speech from the throne in connection with this section.

Mr. BOUCHARD: With due respect to your decision, Mr. Chairman, I think that I am as much in order, in referring to that in answering the Secretary of State as was the Secretary of State himself. Then to-day, in answer to my assertion, I am confronted with the authorities—I do not call it evidence—the two authorities that were quoted by the Secretary of State. I am here to defend my own position.

The CHAIRMAN (Mr. Bury): Is the hon. member purporting to answer part of the speech of the Secretary of State on the speech from the throne?

Mr. BOUCHARD: No, I am not referring to the matter contained in the speech from the throne, but just to the translation of it, as we are discussing to-day a translation bill. The Secretary of State resorted to his "gratuitous" friend to translate the speech from the throne, and I charged him with two things. First, I would point out that in his own department there is a very able translator, a man who stands high in the literary world, and therefore the Secretary of State could have got a proper translation from him. Secondly, I said that it was not proper for the Secretary of State to entrust that confidential work to his "gratuitous" friend who had not been sworn to do this work and to pass over the man who had been sworn as a civil servant. In answer to my contention,

instead of bringing the facts before this house, the Secretary of State just quoted two letters. In the case of one not even the name of the writer was disclosed; Pierre Lefort is the pen-name of Paul de Martigny. For the moment, I do not discuss this letter. Then I come to a letter written in approbation of the translation of the speech from the throne by the vice rector of the university of Montreal. I think any hon. member, looking into this matter without putting on a second pair of glasses might have written the same letter. But what I am complaining about is this. I wrote to the writer of the letter and his answer was to the effect—I shall not quote the letter—that "if I had read the whole letter I would not have written mine." To-day I would like to know the whole content of that letter. I think this committee is entitled to know that, not on a point of order but on a point of honour. I think in fairness to the gentleman who wrote this letter we should have the whole of that other letter. We should know at the same time whether this letter was invited, was called for, or was just sent on the spur of the moment by the one who signed it. Therefore I ask the hon. gentleman if in support of his evidence and of his authority, he will give us the full text of his letter. If he does not, in order to defend my contention, I shall have to put before this committee and before the whole country the kind of translation that was made of the speech from the throne.

Mr. GUTHRIE: Before that question is answered, may I ask what clause of this bill we are discussing?

The CHAIRMAN (Mr. Bury): We are discussing clause one.

Mr. GUTHRIE: Then I raise a point of order. "This act may be cited as the Translation Bureau Act." Any discussion of that clause must be relevant to the clause, and the only thing that could be relevant would be a suggestion that the title is incorrect.

Some hon. MEMBERS: Oh, oh.

Mr. GUTHRIE: Well, I submit that I am correct.

Mr. VENIOT: That has not been the practice in this house.

Mr. GUTHRIE: That is a different thing. I know that this session in the discussion of the marketing bill we wandered over many features of the bill. But I think there should be some limit to this discussion. The rule is very definite. After passing that clause, which is a purely formal clause, if this discussion is to take place it should be on clause 3 or clause 4. Why not proceed with some regularity? When we come to clauses 3 and 4 I have no objection to the discussion broadening out.

Mr. POULIOT; Therefore, Mr. Chairman, I move, seconded by Mr. Chevrier—

The CHAIRMAN: (Mr. Bury): I do not know whether the hon. Minister of Justice is finished.

Mr. POULIOT: I would not interrupt him for a kingdom.

Mr. MACKENZIE (Vancouver): I am quite in agreement with the Minister of Justice in wishing to expedite the discussion of this bill, but I cannot for a moment agree with his contention. It is one of the best known rules that in discussion of the title—

Mr. GUTHRIE: No, it is the preamble that the hon. member is thinking of. Look at rule No. 58.

Mr. MACKENZIE (Vancouver): We had on the marketing bill—

Mr. GUTHRIE: Yes, I know we wandered all over the lot there. Look at standing order No. 58, subsection (2).

The CHAIRMAN (Mr. Bury): Does any other hon. member want to speak on the point?

Mr. GUTHRIE: Subsection 2 of standing order No. 58 reads as follows:

> Speeches in committee of the whole house must be strictly relevant to the item or clause under consideration.

Mr. MACKENZIE (Vancouver): That has nothing to do with the point of order.

Mr. GUTHRIE: It has everything. This first clause merely designates the title of the bill.

Mr. MACKENZIE (Vancouver): But under the title we can discuss every feature of the bill.

Mr. NEILL: It is only a few weeks ago, Mr. Chairman, that I raised that specific point of order, and the ruling was against me.

Mr. GUTHRIE: The discussion on the marketing bill proceeded on very broad lines. I will say that it is quite possible that if the discussion takes place now it may not take place in connection with some other clause, but my experience is rather that if it takes place now it will take place again. I am trying to limit the thing. If we get to clause 2 or clause 3 the discussion would be relevant. But I am sorry to say that the practice has

become very general during this session that on a clause containing nothing but the title we go over the whole bill line by line.

Mr. NEILL: What I was going to say did not refer to the marketing bill but another. I have forgotten what it was, but I raised the same point of order.

Mr. GUTHRIE: I think you were right.

Mr. NEILL: And the chairman said we were not allowed to talk all over the lot.

Mr. GUTHRIE: If no objection is raised the discussion may proceed, but I am raising the point of order as an objection.

Mr. NEILL: I did object, and the ruling was against me.

The CHAIRMAN (Mr. Bury): I think the point of order is well taken. The committee has fallen into the practice of carrying on in connection with the first clause the same broad discussion as the house would in a debate on second reading, dealing with principles and everything else. I hold that the objection taken by the Minister of Justice is correct.

Mr. POULIOT: Therefore, sir, I move, seconded by Mr. Chevrier, that the title of the bill be changed to "The uncalled for bill."

The CHAIRMAN (Mr. Bury): I hold that the motion is ridiculous and not serious.

Mr. POULIOT: The bill itself is a joke.

Section 1 agreed to on division.

Section 2 agreed to on division.

On section 3—Bureau for translations.

Mr. CHEVRIER: This afternoon we have had an example of what took place a number of times in the committee. I think the best way to place the situation before hon. gentlemen is to make use of the words used by the Secretary of State (Mr. Cahan) when he spoke the first time this afternoon, when he said that he saw no reason why any amendments should be made because this bill had been given second reading by the house by a majority of fifty-seven. In other words, if you have a majority it is always right, whether it be right or wrong, provided the majority is in favour of those, for the time being, who are sitting to your right.

In my estimation this bill was conceived in sin and born in iniquity. Apparently the reason for its introduction was that it would improve efficiency and result in a considerable saving of public funds. This bill was referred to the committee, and the evidence taken by that committee has been tabled. There is not a tittle or particle of evidence in the whole of that volume to the effect that this bill, if it becomes part of the law of the country, will result in improved efficiency or in a considerable saving of public funds. Nothing was brought before the committee to warrant reporting the bill here. No case was made out at all; nothing was said in favour of the bill. I need not labour through the evidence, but I defy any member of this house to read it from cover to cover and find anything that would warrant the adoption of this measure. In opening the discussion the minister is reported at page 984 of Hansard to have said:

—send it to a special committee where these matters may be inquired into and where it may be ascertained whether it is for the convenience of the Commons and in the public interest that a parliamentary translators' branch should be so organized.

There is not a particle of evidence to substantiate that. Then at page 985 the minister continued:

There is no desire to force an innovation upon the House of Commons against its wishes—

Oh, no; maybe not. When you have a majority of fifty-seven you can speak in that way.

—but we are asking that the facts be elicited before a special committee and duly considered, and that those who are employed in the translations of the debates of the Senate and the House of Commons—

And so on. Then we had further words of wisdom from the paternal lips of the minister at page 1280, when he told the translators and others that they had better break up their coterie and stop their propaganda, though I was unaware of any coterie and did not know of any propaganda or lobbying. After that do you think it was easy for those people to come forward and place their claims before that committee? From that time on I decided that I would not call any of them because I was afraid by so doing I might jeopardize their positions. Again at page 986 the minister said:

—and sent to a special committee, which will have full liberty to inquire into every interest which may be thought to be prejudicially affected by the terms thereof.

We had an example this afternoon as to how points of order were raised and we were—I was going to use the word "railroaded" but that is not parliamentary. There may be no desire to force this bill on the House of Commons or to force it through, but nevertheless it was put through the house on second reading, and it is quite evident that the same spirit animates the Secretary

of State at the moment. The minister also said, at page 985:

I think it is in the interests of good government that those who have any representations to make should appear before that committee where their representations will be received.

Seven witnesses appeared before that committee, and in a moment I will go over their evidence. Everything they said was received, but they might as well have stayed at home. Six of the witnesses were absolutely against the bill; one was not even asked what he thought about it. The minister said such representations would be received; they were received, and they have remained between the covers of that volume. In the first place, as the evidence will disclose, there was no reason why the minister should have brought in this bill to begin with. In the second place it was quite useless; it was simply a smoke screen, purely and simply camouflage to send the bill to that committee. I am not going to say how it was done, whether it was in a special way or some other way; I am not going to make any insinuations, but there is no reason why the bill should have been sent to that committee because none of the observations made or suggestions offered was received. If a bill goes to a committee and is carefully studied, when it comes back it is either proven or not proven; there is a reason for the bill or there is no reason for it. The minister is also reported at page 985 as having said:

—it is the opinion of the government that a reorganization such as that proposed in this bill will place translators from French into English and from English into French on a higher plane in the public service.

The minister had the right to make that statement provided he could substantiate it, but there was no evidence adduced before that committee to the effect that any such thing will result if this bill becomes law. There is nothing in the bill itself that can be linked up with this gratuitous statement by the minister, which has not been supported by the evidence. As I shall show in a few moments, time and again in that committee I asked for someone in authority to say how this bill would work out, but the door was continuously and hermetically closed. There is no evidence as to how this will work out. The minister also said:

It will avoid duplication of translation services and research work in relation thereto.

No wonder some of the hon. gentlemen sitting to your right supported this bill; they took the minister's word for it, but there is nothing in the evidence to show that it will work out that way. The minister might as well have spoken in Timbuctoo for all that statement is worth. Then he stated further:

It will ensure the effective cooperation of all officers and employees in the existing translation services.

There was not a tittle of evidence to that effect before the committee—nothing at all. These are the words:

It will ensure the effective cooperation of all officers and employees in the existing translation services.

That was not shown before the committee. What were we there for? The minister did not do anything towards sending anyone to explain how the legislation was going to work out. The chairman did not call for any witness to say that these things were going to be done. To-day we are in absolute and utter darkness as to how this unwarranted bill will work out, if it ever becomes law.

Mr. DUPRE: May I interrupt the hon. member. He had the right to call any witnesses and to get any information he desired.

Mr. CHEVRIER: Of course I had the right.

Mr. DUPRE: Why did he not do it?

Mr. CHEVRIER: Of course I had that right.

Mr. CAHAN: And you did do so.

Mr. CHEVRIER: The minister gives the right, on one hand, but in the other hand he holds a club over their heads. The minister could say to them: You had better cooperate gently, and cooperate with those who are doing you some good, because otherwise you will hear from us.

Mr. BOUCHARD: He put a sword over the translators.

Mr. CHEVRIER: On the other hand the Solicitor General is saying that I had the right to call witnesses. I reply to him that I desisted from calling that kind of witnesses. Then, further, this was not my business, and I had nothing to prove in the case. The minister has said that it will work out in a certain way, but certainly there is nothing to show that it would work out that way. His words were:

It will establish coordination and uniformity in the proper use of technical terms.

The evidence is exactly the other way. Then:

It will improve the means of acquiring expert knowledge and competency.

Again, the evidence is the other way. In that connection I shall turn to page 54 of the evidence taken in the committee. Following a statement by the chairman the report continues:

Mr. Chevrier: No, he said that he had the benefit of nine expert translators in parliamentary work.
The Chairman: Well, he would still have.
Mr. Chevrier: There are no other parliamentary translators outside of the House of Commons.
The Witness: There are not.

Mr. DUPRE: At what line is that to be found?

Mr. CHEVRIER: I am sorry I have not the copy of the evidence before me; I am reading excerpts from Mr. Carbonneau's evidence. Then I asked:

Q. So that the only experts that you need in parliamentary translation are the parliamentary translators?
A. Yes, sir.
Q. So that it would be of no benefit to you if the others are left where they are because you would not have the benefit of experts due to the fact that they are not parliamentary translators?
A. I am opposed to that dual regime.

The answer is that he is opposed to a dual regime. That is the only evidence we have on the point, and it is in flagrant contradiction of the statement made by the minister in the following words:

It will improve the means of acquiring expert knowledge and competency.

Then he goes on to state:

It will promote the advancement of those employed in this very essential branch of the public service.

Why did he not add on another hundred or one hundred and fifty of these gratuitous assertions? Then:

It will tend to remove all discriminations in working hours and working conditions.

That has not been shown, and there is no evidence of it. Yet, the bill is reported. Then the minister states:

It will promote . . . the contemporaneous publication of public documents in both English and French for the use of parliament and of the public.

The only tittle of evidence in the record shows that that could be done without the aid of this bill. None of the experts whom the minister had at his disposal came to say how it could be done—and yet we report the bill. The evidence on the point as to how it could be done at the present time is to be found at page 48 of the evidence taken before the committee. Mr. Carbonneau, the head translator in the blue books branch, is reported as follows:

It is further submitted that in view of ensuring a simultaneous issuance of both versions, the following measures should be taken:
1. Annual reports or other periodical publications should be prepared a little ahead of the ordinary time and the compilation of data and drafting of such reports should be accelerated in some cases.
2. These reports should be sent for translation in typewritten form when all corrections have been made.
3. A list of reports and returns to be tabled each session should be prepared, fixing certain dates for the guidance of all departments in sending their annual reports for translation.

That could all be done now, and without this bill. I have asked time and again as to how the bill would work out. At page 78 my statement is reported:

I would like some one in authority to tell me just how this bill is going to work out.

—and I pleaded with the chairman. At page 84 I am reported as follows:

I cannot see how this bill is going to achieve that, but if somebody shows me how, then all right.

I would have supported it. I begged to have some one in authority tell the committee how the bill would work out. At page 90 I asked Mr. Bland the following question:

Supposing that the bill passed as it is, then there would be a superintendent, what would happen to the various staffs here, would they be disturbed and taken away from where they are?

And Mr. Bland replied:

That is a matter that would not be decided until the superintendent had made his report.

The minister said they would never be touched. Well, there is the possibility that they will not until the superintendent makes his report. At page 91 I am reported to have said:

I agree that there are certain things that might be improved, but unless I know just how that is going to be done I am not going to buy a pig in a poke.

I wanted to see how the bill would work out. I pleaded and argued, but the minister did not do anything. Let us turn to the promise made by someone else. At page 1229 of Hansard the Minister of Marine is reported as follows:

The house is the sole guardian of its own privileges, but it is never prevented to waive them from time to time in the interest of a more efficient conduct of public affairs.

However, there is nothing in the bill to substantiate this; nothing to prove that the pious wishes of the hon. Minister of Marine may some day be realized, if this measure is enforced. I was going to state: why could not the Minister of Marine, he, a beacon of light, have given us some information in respect to this report?

He adds:

It is an extraordinary thing that not one of them cared to suggest any improvement that might be brought into the present system.

But the hon. minister made no such suggestions to the committee; he did not even make an appearance. We suggested improvements; however, they were rejected.

The minister continues:

Is there one member in the house who will maintain that the present system is perfect?

No, I am not one of those who contend that the present system is perfect. Yet, between a system which is known and another which is not, people prefer the former to the one which the government wishes to establish by this bill—be contented with this one for fear of having a worse one.

Let us see what the hon. Solicitor General (Mr. Dupré) has to say. He points out the advantages which this bill will provide:

In my opinion, the advantages to be derived from this bill will be to secure the simultaneous publication of the French and English versions of all documents.

Not a word is found in the provisions of this bill to show how this can be attained or if it be even possible.

The second advantage we find in this measure, is that it defines and specifies the responsibility in connection with the translation.

Again there is no proof of this, absolutely nothing can be found in the bill to justify this contention.

Third advantage: this measure will improve the translation.

One may say so or may hope so, but can it be proved?

Mr. BOUCHARD (Text): It is a pious wish.

Mr. CHEVRIER (Translation):

Fourth advantage: a better distribution of the work.

Again there is nothing to substantiate that such a contention may be realized if this act is enforced. Those who might have set off this feature did not appear before the committee, or if they came they forgot to light their candle.

The hon. member for Dorchester (Mr. Gagnon) expressed himself as follows, page 1225 of Hansard:

(Text)

We have voted on bills before which have gone to committee and come back in a state hardly recognizable. Why should it be otherwise with this legislation?

And I said I hoped this bill would come back in a state hardly recognizable.

Does the hon. member for Dorchester recognize his bill? Are his hopes and wishes as regards the maintenance of salaries embodied in the bill—

Mr. BOUCHARD (Translation): He was even confident that it would be so.

Mr. CHEVRIER (Translation): —in order to safeguard the hours and holidays of certain translators? The hon. member must be quite disappointed. However, the bill had to pass and it did. We are no more at Verdun. "They shall not pass!" They passed.

The hon. member for Stanstead (Mr. Hackett) said this:

The translators of the debates of this house and the Senate work under great pressure; they work long hours and cannot during the period of their service enlarge their acquaintance with languages and their evolution. This is necessary to the skilful performance of their task. Men of broad culture and a profound knowledge of both languages are absolutely essential to the proper carrying out of the work of translation. I suggest—

Here is another pious hope:

—that it is necessary that these translators should have some leisure in which to cultivate and develop those characteristics so essential to their work. By making the position attractive a higher level of native talent and educational attainment will be secured which will assure to the houses better translators and better translations. It may not be possible to allow these translators six or seven months of inactivity each year but the spirit of the spoken word can be translated into another language only by men who have seized that spirit and who have a knowledge of literature, art and those things which go to make up culture. For these reasons, on behalf of the translators of this house and of the Senate I bespeak special treatment, not for their own benefit, but for the benefit of the translation of those debates which it is their primary duty to translate.

There, Mr. Chairman, is a wish expressed in language well worthy of the subject, but its musical tones and depth of feeling struck deafened ears. Its pleading accents struck a heart of stone. It was as seed falling on a barren rock, and I extend to the hon. member for Stanstead in his great disappointment the expression of my most sympathetic condolences. But this bill had to pass.

Now I come to the evidence. There were six or seven witnesses. The first one was Mr. de Martigny. His biography will be found in the evidence. He had not gone very far in his evidence when at page 22 the chairman

ruled he was no expert and no more questions were put to him. So he did not say whether he was in favour of the bill or against it.

The second witness was Mr. Omer Chaput, at page 60 of the evidence. He is described as head translator of the bureau of statistics. He said at page 61 of the evidence:

Take in the morning, for instance, it takes me fifteen minutes to give one stenographer three thousand—

That is three thousand words; he is talking of translation:

—and it takes me another fifteen minutes to give another stenographer three thousand, and after that they go and type it and I take my own typewriter and do some myself.

At page 62 he says:

I am no common man. . . . No translation is difficult for me.

He is in favour of the bill.

The third witness was Mr. Hector Gerin, chief of the debates translation branch of the House of Commons and he was decorated only yesterday, I think, by the Royal Society and given the degree of doctor of laws. At page 30 here is his appreciation of this bill:

On the whole, it seems desirable that present conditions be maintained, if at all possible. . . . Otherwise, the efficiency of this important public service would be made to suffer.

At page 33 he says:

For myself I would be in favour of maintaining the present system as it is.

And again at page 33 he says:

No, I have no suggestions to make.

Then as to the superintendent of the proposed bureau he said at page 34:

I do not see how it would work. We are getting along pretty well, much satisfied with it now, and we are improving all the time.

Then the chairman steps in at page 38 and puts this question to Mr. Gerin:

Q. Then, Mr. Gerin, may I take it this way, you are giving me the objections which you see to the establishment of a bureau, and, may I take it that you see three objections or possible objections, one, the interference with the hours and conditions of work now established for the translators; two, possible interference with salaries; and three, possible interference by the new superintendent in the method or means adopted for accomplishing of translations?

A. Yes.

There was a further question by the chairman:

Q. You cannot see anything else at the moment?

A. The only thing is, matters were going on pretty well we thought as they are now, and we do not wish to change the status or administration of the office.

[Mr. Chevrier.]

Then he talks about the superintendent:

Well, that general supervision, I would be afraid of it for my part.

The fourth witness was Mr. Hector Carbonneau, at page 42. He is described as chief of the general translation branch, House of Commons. He submitted a typewritten statement in which he showed conclusively I think that in the last year seventy per cent of the work done in that branch had been work relating to the House of Commons. He closes his evidence with this:

In the discharge of their parliamentary duties, especially during sessions, when they are so often working under high pressure, our translators have to keep in close contact with the Clerk of the House and committee clerks with whom they have to consult almost daily. When committees are sitting, they are often asked to translate into English evidence given in French, which is to be printed simultaneously with the English text. They have also to consult witnesses and counsel. Committee reports are generally tabled at 3 o'clock in the afternoon and are generally handed in for translation about one hour before this. Quite often these reports must be translated and then typewritten with several carbon copies. They cannot be delayed and, therefore, the translators must be immediately available. They must also be close to their source of information and have free access to all parliamentary papers, both recent and old, and to the library of parliament. As officials of the house they are part of the machinery of parliament and should be able to avail themselves of these privileges. Almost daily they need information of some kind or another and it must be obtained at once. On account of the very special and urgent character of their duties, they could not be centralized outside of parliament without their work being seriously hampered. I would therefore respectfully suggest that the branch be maintained as a parliamentary technical service for the translation of committee proceedings and evidence, estimates and budget resolutions and other related documents, in a measure commensurate with the requirements of parliament.

Here is a case as neatly put as any case can be put! Yet notwithstanding that, we have a report brought in in favour of this bill. Mr. Carbonneau also at page 53 answers the following question:

Q. Well now, if you had a central bureau of translation, and instead of having the cooperation of nine other men in addition to yourself you had the cooperation of 90, it would still be beneficial for the purposes of cooperation would it not?

A. Well, it might, but that has always been the trouble to divide up the work in a single bureau; it has always been a great trouble to obtain perfect uniformity especially when the work is being distributed in parts.

He also said:

I am opposed to that dual regime. . . . In a parliamentary and departmental translation service, one is an obstacle to the other. They do not work out well together.

I come to the next witness, Mr. Oscar Paradis, K.C., at page 110. He is chief law translator of the House of Commons. Here is his evidence:

By Mr. Pouliot:

Q. Just one more question, Mr. Paradis: as you are one of the chief officers of the House of Commons, may I ask you if in your belief the centralization of translations would improve the translation of laws as it is done now?

A. Well, in my humble opinion, it would mean the disorganization of our office completely.

Mr. E. H. Coleman, K.C., the Under Secretary of State, gives his evidence at page 155. He refers to a memorandum that had been submitted under the signature of Mr. Mulvey:

By Mr. Chevrier:

Q. In this memorandum of September 1, 1931, I read:—

"It is understood that all departments of the government are now equipped for the translation of French."

That was when a sort of central bureau was set up for the translation of foreign languages.

At page 155 I said to Mr. Coleman:

In this memorandum of September 1, 1931, I read: "It is understood that all departments of the government are now equipped for the translation of French."

Mr. CAHAN: That was not in Mr. Coleman's time. That circular that went out was dated September 1, 1931.

Mr. CHEVRIER: Yes, that is what I said; it went out in 1931 and it appeared in a file that came down to more recent date. I found that memorandum there, that all departments of government were equipped for the translation of French. Then I put this question to Mr. Coleman:

Q. I presume that that meant the Secretary of State's department was equipped for that. Has there been any change in that?

A. Not to my knowledge, Mr. Chevrier.

Mr. CAHAN: He had no knowledge of it.

Mr. CHEVRIER: Mr. Coleman will like the way in which the minister speaks of him. He had better take it up with him.

Mr. CAHAN: The hon. gentleman is misrepresenting the intent or purport of what he did say.

Mr. CHEVRIER: The minister always tries to wiggle out, but he leaves a lot of wool hanging around the shrubs. The superintendent of the Royal Canadian Mounted Police, Mr. Darling, at page 174, gives this evidence:

By Mr. Pouliot:

Q. Would it be possible for you to have your confidential work done by a central bureau of translation?

A. No, I don't honestly think it would be. I must be honest about that. I don't think it would.

Then Mr. Coolican, acting deputy postmaster at the time, gave this evidence at page 176:

By Mr. Pouliot:

Q. And is it necessary for you to have these men within the department?

A. We have a centralized translation branch within the department, which we consider should be retained there because of the technical aspect of the post office work with other administrations.

By Mr. Chevrier:

Q. You have that centralized staff within the department?

A. Yes, we have it there for the purpose of seeing that important circulars or instructions to the public, or technical regulations are standardized, and are not done by any individual in any division.

Here are eight witnesses who appeared before this committee. One gave no evidence. In regard to one, the committee has been able to appreciate the value of his evidence—I make no comment on his honesty; he is a good man. The six others are against the bill. Yet we report the bill.

Now, as to the cost of translations, some others will deal with that. Personally I have endeavoured by every possible means at my disposal to reconcile the statements of the Secretary of State with those of Mr. Bland and others, but I cannot do so. The Secretary of State has said here and elsewhere, and he will not deny it, that it cost between $75,000 and $80,000—

Mr. CAHAN: What cost?

Mr. CHEVRIER: Errors in translation.

Mr. CAHAN: I have not said that.

Mr. CHEVRIER: Then I will let the minister hang where he is. If he says he did not make that statement I have to take his word but I can only leave him with his conscience.

Mr. POULIOT: You leave him in good company.

Mr. STANLEY: Very bad.

Mr. CHEVRIER: According to Mr. Bland it cost $58,805 and two days later the secretary comes in and says it cost between $75,000 and $80,000. At any rate I have endeavoured to find out how much it did cost.

Mr. CAHAN: I did not say errors in translation; I said corrections in both French and English.

Mr. CHEVRIER: The record speaks for itself; I will not waste time over words that are in print. I will not attempt to enlighten

the minister because if I did he would not listen. I have tried to find out how the $58,000 odd could be distributed, but the officials from the printing bureau who came could not tell me. When the statement is made that such errors cost $58,000 odd, items should be given to show how that cost is made up. But to this day I have not been able to get those details. The minister himself calls these errors in translation, then—

Mr. CAHAN: Where did I call them errors in translation?

Mr. CHEVRIER: All over the place. Mr. Shipman says that he cannot give any information with reference to that. I leave the minister just where he is; I will let him stew just where he is now.

There was another matter brought up before the committee and the minister engineered that. He started it in the house when he brought in a sheaf of photostat copies of something or other. These have been exhibited all over the place; we have had a demonstration of photostatic copies and a lot of static about those copies. I will not say much about those copies, but I do not like the atmosphere in which they were made, nor the way in which they were employed and brought out. At page 198 of the evidence we find the following:

By Mr. Pouliot:
Q. The shipping bill has 548 pages?
A. Yes.
Q. And the printing bureau has brought here ten pages of photostat?
A. Yes.
Q. How was that selection made, and why?
A. I cannot answer that.

Then I asked:

Q. Now then, can you tell me what proportion of good translation you did not produce?
A. Well, I cannot answer that.

Yet they go around with a photographic outfit of some kind, taking everything that is bad, and the minister revels in that. To get through with the evidence, I asked Mr. Bland, at page 27, the following:

Q. Mr. Bland, do you think that it is wise to appoint a translator into one of these technical positions without a very severe and most exacting test as to his capabilities of filling that position?
A. I think the best method of selecting the best available translator is by means of a severe technical examination.
Mr. Chevrier: I agree with you.

At page 75, in answer to myself, the witness made this statement:

I do not think it would be an efficient move to remove a specialist from his own particular work.

[Mr. Chevrier.]

Then at page 76:

It is an easy matter to move a clerk; if a department needs three or four extra clerks for a rush period it is not a difficult matter to secure these clerks and move them over, but it is not as easy to move them in the translation service.

That is what Mr. Bland says, and he knows his business. I would rather take his word than all the gratuitous assertions of the minister.

Of all the promised benefits and fandangoes dangled before our eyes by the minister in order to help this bill none have been substantiated. The evidence, in both quantity and quality, has been overwhelmingly against this bill. But might is right though it be wrong. The Minister of Marine, the Solicitor General, and a few others on the government side have repeated the same things complacently after the Secretary of State and even after the hon. member for Labelle, who has said that in his life he has said many silly things—and under the rules of the house I must accept his word. Of course, he has never worn the cassock nor the toga but he speaks ex cathedra to those who have. All these gentlemen have said that this bill unquestionably extends the rights of the French language.

Mr. DUPRE: Why should the hon. member attack the hon. member for Labelle (Mr. Bourassa) when he is not present?

Mr. CHEVRIER: I am not going to be spoken to in that way. If the hon. member has anything to say let him take his hand away from his mouth, stand up and say it and I will sit down and let him speak. If he does not want to say anything, let him keep his peace.

My hon. friends say that this is an extension of the French language. If they are so sincere about it, I would rather see it in print than hear it said. Let them move an amendment. Let them put their hands on this King Tut's grave, this holy of holies. Let them inject into the bill something to show that it is really an extension of the rights of the French language. I know the minister will squirm; he is sitting on hot coals. He knows well what I mean. He dares not do this, neither do they, yet they say that this is an extension of the rights of the French language in Canada. Why talk that way? The other night a question arose of the necessity of amending the British North America Act. Because that act is a pact entered into by certain provinces, the Prime

Minister on that occasion well and ably said: You cannot subtract from it; you cannot add to it; you cannot do anything with it unless it be by the unanimous consent of the contracting parties. In that case as our rights are to be found within the four corners of that act, how can this bill enlarge those rights? I leave my hon. friends to that unmerciful but righteous judge—history.

Before I sit down I want to move, seconded by the hon. member for Témiscouata:

That section 3 be amended by striking out after the word "service" in the eighteenth and nineteenth lines the words "and both houses of the parliament of Canada," and further by striking out in the twenty-fourth line the words "debates, bills, acts and proceedings."

I do that because I want to keep this bill as much as I can within the four corners of the British North America Act. I say that under section 133 of that act the records and journals of both houses of parliament must be printed in French and in English; that the acts of the parliament of Canada and of the legislature of Quebec shall be printed and published in both languages and that those are within the custody of the house and as such they remain here. I therefore move my amendment that certain words be deleted accordingly.

Mr. BOWMAN: I had not intended saying anything in connection with the bill before the committee and might not have done so had certain statements not been made in connection with the proceedings which took place when the bill was before the select special committee of the house on civil service. I was not in the chamber when the debate opened, but as I came in I heard the hon. member for Témiscouata (Mr. Pouliot) complaining of, I think, the rather arbitrary attitude of the chairman. I do not think the hon. member for West York (Mr. Lawson) needs anyone to defend his actions in this house. His courtesy, genial disposition and ability are well known to all hon. members. He performed a real service for parliament in 1932 in acting as chairman of the same committee, at which time a unanimous and rather important report was brought down to this chamber.

The next chief complaint made by the hon. member for Témiscouata was to the effect that when evidence was called from the civil service commission, Mr. Bland was specially requested by the committee to appear on behalf of the commission and that the French member, Mr. Potvin, was not so called. May I draw attention to the fact that Mr. Bland has been in the civil service for a great number of years and that his appointment, I think in 1933, to the civil service commission resulted from a unanimous report of the select special committee on civil service of the year 1932. On the other hand, Mr. Potvin is a recent appointee, and I do not think there is any question that his knowledge of matters pertaining to the civil service is not comparable with that of Mr. Bland But might I point out further that Mr. Potvin did appear before the committee and had the hon. member for Témiscouata any questions to ask him as to the matters under discussion or consideration, he had full opportunity so to do.

This bill which I think hon. members will agree is pretty simple and clear in its contents purports simply to set up a bureau for translations with a superintendent in charge. I would just call the attention of the committee to the fact that the special committee sat from March 7 to May 9 once every week and I think during one week twice, to consider this bill. Without making any comment I would say that the committee had possibly ten, twelve or fourteen sittings on this bill alone and at those sittings every opportunity was given for the submission of evidence in the form of either written statements or material or oral evidence given by witnesses produced before the committee. I can hardly understand why the senior member for Ottawa should say that the door was closed. As a matter of fact the door was left wide open and full opportunity was given for anyone to appear before that committee and make such representations or statements as they deemed desirable. Mr. Bland did appear before the committee on several occasions. He submitted statements and was also subject to oral examination, and any evidence which hon. members opposing this bill were desirous of having produced was available to them by simply calling any witness they desired and questioning that witness on any point. The hon. senior member for Ottawa (Mr. Chevrier) is an able lawyer. I am rather surprised at the attitude he takes in connection with the evidence. After all, the government of the day have taken responsibility for this bill. And any evidence that was adduced before the committee would, I presume, be given with the idea of showing that the bill is not workable or that it would not be of benefit if passed. I do not purpose traversing the evidence, it is there, about 200 pages of it, it has been made available to all members of the house and it speaks for itself. A discussion on the bill took place in the house, lasting for a week or ten days,

if I remember correctly, and nothing is to be gained by traversing ground which has already been gone over. As far as I am personally concerned I have no hesitation in giving my own opinion, after listening to the evidence, after reading the debates that have taken place in the house, that the putting into effect of this bill, the coordinating of all translation services in one bureau under the direct charge of one man, will mean a very substantial saving to the country, will mean improved efficiency, and better service and a more even load in the printing bureau.

Mr. BOUCHARD: Have you any evidence of that?

Mr. BOWMAN: I think there is lots of evidence in the proceedings which you have before you, taken as I say by the committee in sittings which lasted from March 7 until May 9. And may I say that in that record there do not appear one or two hundred photostatic copies of corrections in translations and galley proofs which were submitted to the members of the committee, some of which were presented to the house when the Secretary of State spoke. One thing that struck me as a member of that committee who attended pretty regularly was the fact that there was not brought forward a really sound objection to the proposal. If you scan the whole evidence, even that which the senior member for Ottawa went through so carefully a few moments ago, you will not find any substantial grounds for opposing the measures which this bill proposes to put into effect. As I said, during sittings which lasted over two months anyone having any objection to the bill or any criticism of the way it would work out was given full opportunity to attend before the committee and give his or her reasons against the bringing into force of this measure. But in my opinion no witness appeared before that committee who gave any substantial or reasoned grounds why the bill would not bring about an improvement in conditions as they at present exist. I am personally convinced that the adoption of this bill, the putting into effect of the measures it proposes, will mean a substantial saving and improved efficiency in the service.

Before I take my seat I would like to acknowledge the courtesy and helpfulness extended to me by all members of the committee during the sessions at which it was my honour and privilege to act as chairman.

Mr. VENIOT: In rising to address myself to the bill now before the committee I wish first to make one reference to the remarks of the hon. member for Dauphin (Mr. Bowman). In closing he said that no substantial ground was shown in the evidence to oppose this bill. May I reply to that by stating that the evidence as presented by the senior member for Ottawa, read over very carefully by myself, the evidence taken at each session of the committee, does not contain one iota of substantiation of the reasons presented by the Secretary of State for the introduction of the bill.

Having said that may I refer to some things that may appear somewhat personal. I do so for the purpose of laying the groundwork for the criticism that I am about to make in connection with the changed situation that this bill will bring about in the matter of translation.

The Secretary of State in his evidence before the Senate referred to his experience in the printing business. I took it that he based the argument for the introduction of this bill on some experience he had gained while engaged to some extent—he did not say to what extent—in the printing business.

Mr. CAHAN: That had no reference at all to this bill; it had to do with a reduction of some $700,000 in the annual cost of the printing bureau.

Mr. VENIOT: The hon. gentleman dealt with translations all through his statement; I have it here word for word, so it cannot be contradicted. I am not relying on newspapers or on rumours; I have a certified copy of the evidence taken before the Senate committee. All through that evidence the Secretary of State did not forget to show up that terrible cost of translation corrections. In his statement before the Senate committee he did not take the responsibility of using his own words; he placed that responsibility on a committee of investigation that had informed him or somebody else. He gave the direct evidence that the committee had reported that because of this system of translations, because of faulty translations and because of authors' corrections, bringing about the resetting of type and corrections both in the galley and on the page form, $75,000 to $80,000 could be saved annually. It cannot be contradicted that he made that statement, and I will deal with that cost later on.

Having said that much I now come to what I referred to as a personal matter concerning myself. The Secretary of State must not think he is the only member of this house who has had experience in the printing business; I too have had that experience. With all due

respect to the hon. gentleman I may say that my experience has been a million times greater than his.

Mr. DUPRE: Make it two million.

Mr. VENIOT: I could make it two million, and I will allow the Solicitor General (Mr. Dupre) to make the computation himself. From the age of eighteen years and six months until practically the age of sixty I was actively engaged as a printer. How do you like it?

Mr. DUPRE: Make it four million.

Mr. VENIOT: The Solicitor General says "make it four million," Tory-like, always extravagant. No, I am satisfied to leave it at one million, and I think even the Secretary of State will admit that I am not exaggerating. If I am going to criticize the costs in connection with these corrections I want this committee to know that I am basing my criticism not on hearsay but on knowledge and personal experience over a period of some forty-two or forty-three years. In the parlance of the printing trade the beginner is called the printer's devil. I served in that capacity; I occupied all the other positions in the printing trade, setting the type, running the presses, doing the job work, proof reading corrections on the galley and on the page, editorial work, assisting in translating, correcting translations and having to do with everything pertaining to errors in the printing trade. I want to tell my hon. friend that to-day I could go to the printing bureau and hold up my end with the best of them at the trade. If it is necessary to set the type by hand I can do it. If it is necessary to set it by linotype I have had a certain experience in that work.

Mr. DUPRE: Is this an autobiography?

Mr. VENIOT: This is not an autobiography at all; I am merely telling my experience so that when I come to deal with the assertions made in regard to the extra cost, and the manner in which the blame is placed, the committee will know the foundation for my criticism. More than that let me say to the Solicitor General—and I am not saying it in any boastful fashion—that if the director of public printing when before the committee investigating this matter failed to designate the difference between the cost of authors' corrections and the cost of faulty translation I can give him a lesson in that. I will go into that bureau and take the speech the Solicitor General may make in reply to me; I will set it in type and send the proof to him. If he makes the speech in French there will be no translation, but if he makes the speech in English and there are corrections in the translation I will make those corrections in the galley or on the pages when they are made up loosely, and I will give him the exact cost covering every minute spent in the correction of those errors.

I claim that the evidence given by officials of the printing bureau was not fair evidence. They need not attempt to tell me, with the experience I have had in calculating the costs of printing, that they cannot designate the difference between the cost of authors' corrections and the cost of faulty translation. That is nothing but real buncombe. When they make that statement I say—and I challenge contradiction—that they are stating what is not true.

Mr. DUPRE: One good thing this bill has done is bring out the modesty, ability and capacity of the hon. member.

Mr. VENIOT: One thing this bill has done also is to show up the stupidity of the Solicitor General in interrupting the hon. member for Gloucester. I see I am getting under the collars of hon. gentlemen opposite. The Solicitor General is getting ticklish; he is wobbling in his seat. As I drive home the knife, as I intend to drive it home before I get through, he will be even more wobbly.

Now let me get down to this statement. I have referred to the costs mentioned by the Secretary of State. The senior member for Ottawa (Mr. Chevrier) referred to those costs also, but he left out one point; he forgot to ask how it was possible for the Secretary of State to go before the Senate committee on April 26 and make the statement dealing with the $80,000 extra when only the day previously the director of the printing bureau over which my hon. friend has control stated before the Commons committee that $58,805.25—they were very particular—was the most they could make that extra cost.

Mr. CAHAN: The explanation is very simple; it was in the three years previously that the cost ran, according to the statement of the comptroller of the treasury, from $75,000 to $80,000. In the particular year referred to it had been cut down as stated.

Mr. VENIOT: The director did not say it was cut down; he said in 1933 it cost $58,805.25: If that statement was true what can we say of the statement that he made under oath—and I believe they were under oath; at least it was tantamount to an oath —to the effect that they could not furnish a detailed statement distinguishing between authors' costs on corrections and faulty trans-

lation costs? How was it that when Mr. Bland was asked a question, which he referred to the director of printing, as to whether he could tell what was the cost to each different department that had translations to do and corrections to make, the answer was that the printing bureau has nothing at all to do with the costs of translations? That is quite true, but that was not what the question was aimed at. It was aimed at the extra cost of the faulty translations, and that extra cost is calculated by the printing bureau and submitted to each department.

When the director of public printing made that statement before the House of Commons committee Mr. Bland added the remark that unless 20,000 boxes containing the reports were overhauled it would be impossible to give the details. At the same time, the Secretary of State when making his statement before the committee in another place was asked whether these extra costs were charged up to each department. He replied, "Yes, and the extra cost accounts are submitted every month." Yet Mr. Bland and the director of public printing, when asked how the amount of $58,805.25 was arrived at and charged up to each department, said that they could not do it unless time were taken to overhaul 20,000 accounts which had accumulated from different departments. I am pointing out these discrepancies to show that something is rotten in the state of Denmark. Where the fault is or where the rot begins, I do not know. But it will take one with a greater knowledge of medical science than I have to discover the source of the ailment. One feels sure that the Secretary of State, in one instance, gives his version of it, and the man from whom he is supposed to obtain details—

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

Mr. VENIOT: Yes.

Mr. MYERS: According to the parliamentary guide the hon. member is now seventy-one years of age. He was nine years Postmaster General.

Mr. VENIOT: He was not.

Mr. MYERS: He was in the Mackenzie King government for nine years.

Mr. VENIOT: He was not, so you had better take your seat.

Mr. MYERS: It is four years since the Conservative government took office, so that the year before he became Postmaster General he would be fifty-eight years old. Would he explain whether or not he was an active printer during the time he was collector of customs of New Brunswick and premier of that province.

Mr. VENIOT: Yes, I was an active printer during the time I was collector of customs in the province of New Brunswick; I was superintendent of a printing office which was under the direction of my brother.

Mr. MYERS: And yet the record is not quite so clear as you thought it was.

Mr. POULIOT: To understand the work of a printer one must be able to read.

Mr. VENIOT: I do not mind the record in the Parliamentary Companion being a year or two astray, and it would not make any great difference if my statement as to my experience were a year or two out. I said I had covered from thirty-five to forty years in the printing business, and I stand by that statement. Before I became premier of New Brunswick I was Minister of Public Works in that province, and at that time was still interested in the printing business. There was still a job printing office running in the town of Bathurst under the direction of my brother.

Mr. MYERS: Thanks for the explanation.

Mr. VENIOT: And let me say this, that I base my experience as a printer partly on the fact that in connection with my work I have printed many departmental reports for the provincial government. I base my comments on this question of cost on the long experience I had in making up printing costs, and the establishment of printing presses not only in New Brunswick but also in Nova Scotia at the time of the starting of the old Pictou News. Hon. members opposite may be interested to know that the first type I ever set was set on the Pictou Standard, and the next was on the Moncton Transcript. I came back from Moncton to Pictou and helped to organize the mechanical end of the old Pictou News.

Mr. CAHAN: You did not change your politics according to your employment, did you?

Mr. VENIOT: I did not need to. The Moncton Transcript was Liberal and the Pictou Standard was Liberal.

Mr. CAHAN: It used to be.

Mr. VENIOT: It was at that time. It became Tory only after the Powers got hold of it. J. J. Power, whose brother had charge

of the press, afterwards became one of the leading lights, politically speaking, in the city of Halifax.

Mr. CAHAN: You must admit that the hon. member for Pictou and I have had some experience in Nova Scotia.

Mr. VENIOT: And so have I. I have had experience at least relating to myself. I know that when I first became connected with the Pictou Standard it was not a Tory organ, but became so later on.

Mr. QUINN: What does the hon. member say became Tory?

Mr. MACKENZIE (Vancouver): Mr. Guthrie and Mr. Manion.

Mr. QUINN: I will tell you something about Power, if you want to know.

Mr. VENIOT: Now, let me go a little further—

Mr. QUINN: Don't talk too much about Power.

Mr. VENIOT: Will you say that Power was a Liberal?

Mr. QUINN: Yes, he is to-day.

Mr. VENIOT: Then you are contradicting the Secretary of State.

Mr. QUINN: He changed his politics three times.

Mr. VENIOT: He had charge of the Pictou Standard when I worked on it. The Secretary of State has said that he is a Conservative, and you say he is a Liberal. You are contradicting one another. Keep it up, boys; it will soon be a case of dog eat dog, if you keep on going.

Now, sir, let us come down to the method adopted in reaching the cost involved in faulty translations and authors' errors or changes. The original in English is first sent to the printer, and the printer puts it into type. After it is put into type the proof is taken off the galley. The galley proof is read by the expert proofreader in the printing bureau. It is then submitted in page form, or perhaps in galley form, to the author. Any errors which the author discovers and which have not been discovered by the printer are marked by him. If he chooses to change the original phraseology, he does so. I am referring not to the debates of the Senate or the House of Commons but to public reports and so on, laws printed in English and translated into French, or bills appearing before both houses of parliament. If the author sees fit he may make changes in words or even sentences or whole paragraphs. It then goes back to the printer, who in turn makes the necessary changes as outlined in the author's list of changes. Let me point out here, sir, that in all the arguments which have been advanced touching upon the cost of authors' changes, or changes in faulty translation, not one word is to be found touching the cost of the changes made in the original English text. After that takes place the French translator is handed the printed matter from which he translates. Then it goes to the printer just the same as the English version. When it comes back to the translator and is looked over by him he corrects any faults he may discover. He may change the phraseology, a word here or a sentence or a paragraph. But what do I find peculiar in that? At the very moment a change is made it is photostated and held up as evidence to show that this extra cost is attributable in most part to faulty translation.

Let me give an example or two to show how it works. Everybody knows that the Canada Shipping Act was in bulk when it was submitted to the other chamber last session. That bill went before a committee of that chamber and it was changed by its author and by others who were not the authors but who made suggestions. The changes made in that bill were enormous. But before the bill went before the Senate committee in English it had been translated into French. When the bill was before the Senate committee it was found that in many respects it was unconstitutional, that clause after clause of the bill could not apply. The Senate therefore threw out most of that bill and left it over to this session when a new bill was framed and submitted to that chamber. But all these changes that were made in the English version in 1933 naturally brought about changes in the French translation, and those changes were all charged up to faulty French translation. They were photostated, but no photostat was ever taken of the changes made in the English version of that bill.

This session I find that that bill is again before the Senate. There have been no less than two different editions of that bill this session. The first that was presented to the other chamber this session was so faulty in its construction in English that they had to call in new lawyers from British Columbia which cost two, three or four thousand dollars, and lawyers from Montreal, Ottawa, and elsewhere, in order to redraft the bill. After it was redrafted it was submitted in English and

in French to the Senate. Again they had to bring that bill down to something nearer perfection, and all the changes that were made in the English version in that bill necessitated similar changes in French. Yet I find that that is one of the items that is charged up to the extra cost of faulty French translation in the preparation of that bill. That very bill has been photostated and paraded about this country to show how faulty translation has taken place in the French translation of the documents and debates of this house.

Mr. POULIOT: Shame, shame.

Mr. VENIOT: I say, Mr. Chairman, that that is unfair not only to the members of the translation staff but to the minister himself who is in charge of the printing bureau. It is most unfair that the impression should be created that the translators are either negligent or unfit for their duties. And to prove it they hold up a photostated copy of that bill extending to four or five hundred pages and say that that is a sample of the French translators' work, when as a matter of fact every change that was made in the French translation belongs to the category of authors' corrections in the English version, and not in the French.

Mr. POULIOT: They cannot answer that.

Mr. CAHAN: May I say to the hon. gentleman in regard to the photos I produced before the committee of the Senate that not a single change in French translation was due to a change in the original English.

Mr. VENIOT: But you took mighty good care not to produce any photostated English changes. The hon. gentleman cannot say that there were not numerous authors' changes. I can show them another Senate bill, letter B of the Senate, now before that house. I have a copy of it here. That bill has been changed in its English construction three different times since it was submitted to the Senate and every time a change was made in the English construction a change had to be made in the French translation, and every such change in the French translation was charged up to faulty translation.

Mr. POULIOT: Shame, shame.

Mr. VENIOT: Let me come a little nearer home. Take the marketing bill before this house. That bill contains twenty-one clauses and there have been from eighteen to twenty amendments. The bill was printed originally in English and then in French, and no fault was found with the translation. The bill was then submitted to this house and certain amendments were suggested. The Minister of Agriculture withdrew the bill for a time in order to submit certain amendments, and as I say from eighteen to twenty amendments have been submitted in English and translated into French, and not a word of fault has been found with the translation of those amendments.

What do we find now? Some of the amendments have already been reamended, and when the bill comes again before the committee with all the changes that have been made in it we shall never know it for the original bill. All the changes that have thus been necessitated in the French translation of that bill, following it up until to-day with the eighteen or twenty amendments attached to it, will be charged to faulty translation, instead of placing the blame where it rightly belongs, on the Minister of Agriculture for not having the bill prepared in a proper way in the first place.

Section stands.

Progress reported.

At six o'clock the house adjourned, without question put, pursuant to standing order.

Friday, May 25, 1934

The house met at three o'clock.

INQUIRIES ACT AMENDMENT

Hon. HUGH GUTHRIE (Minister of Justice) moved for leave to introduce Bill No. 84, to amend the Inquiries Act.

Mr. CASGRAIN: Explain.

Mr. GUTHRIE: This is merely to extend the operation of the Inquiries Act to international commissions that may desire to take evidence in Canada subject to the control of the governor in council.

Motion agreed to and bill read the first time.

SILVER COVERAGE

On the orders of the day:

Mr. THOMAS REID (New Westminster): I would like to direct a question to the Minister of Finance. In view of the fact that under the agreement entered into regarding silver at the last economic conference; that Canada has agreed to purchase 1,671,802 ounces annually for four years and that every

indication would seem to be that the price of silver is on the rise, will the Minister of Finance say whether Canada has purchased her portion agreed to?

Hon. E. N. RHODES (Minister of Finance): I understand that a similar question was put to the Prime Minister the other day. I can, however, say to my hon. friend that the purchase of silver in conformity with the London agreement will be carried out strictly in conformity with the terms of that agreement.

Mr. E. J. YOUNG (Weyburn): Is there in the estimates an item providing for that expenditure?

Mr. RHODES: My hon. friend knows full well there is no such item in the estimates.

Mr. YOUNG: I am disappointed.

Right Hon. R. B. BENNETT (Prime Minister): The agreement was not ratified until after the estimates had been submitted.

PRIVILEGE—MR. GOTT

On the orders of the day:

Mr. ECCLES J. GOTT (South Essex): On a question of privilege, the hon. member for Kenora-Rainy River (Mr. Heenan) as reported in Hansard at page 3275 had this to say on the orders of the day:

> Hon. Peter Heenan (Kenora-Rainy River): Mr. Speaker, during my absence from the house on April 24 the hon. member for South Essex (Mr. Gott) made a statement which will be found on page 2513 of Hansard. In referring to myself he said:
>
> In the month of March of that year—
>
> That is, 1930—
>
> —he drew $520 sessional indemnity.

I said $620, not $520. He continued:

> I have waited for nearly three weeks to try to catch the hon. member in his seat, but I have not been successful. I had hoped to make a correction while the hon. member was present, but I do not think the matter should go any further. I just want to say that that statement is not true.

I have no desire to do an injustice to any hon. member. If that statement is not true, I wish the hon. member had given the correct figures, because his total personal expenses for 1929, exclusive of his sessional indemnity and ministerial salary, were $9,291. His total personal expenses from 1926 to the end of his term in office were $16,691.

BUREAU FOR TRANSLATIONS

The house resumed from Wednesday, May 23, consideration in committee of Bill No. 4, respecting the Bureau for Translations —Mr. Cahan—Mr. Bury in the chair.

On section 3—Bureau for translations.

Mr. VENIOT: When the committee rose on Wednesday afternoon I was discussing clause 3 of the bill. I wish to direct some further remarks in connection with it in addition to those I have already laid before the committee. As I want to be quite correct in the statements I shall make, and as I intend to offer some suggestions in an attempt to better conditions in the printing bureau in regard to the translation of debates, I shall speak somewhat closely to the notes that I have made. It has not been my practice to read my speeches but I consider this question so important that any suggestions or criticisms I may make should be along definite lines, distinctly understood, and having a basis of correctness.

With that object in view I wish to draw the attention of the committee to the fact that when this bill was up for second reading I stated that the minister could solve the difficulties he had encountered without the introduction of a bill of this kind. At that time I made my suggestions, suggestions which I considered constructive. Those suggestions are to be found in the speech I delivered on March 6 as reported in Hansard at pages 1242-3. I shall read those suggestions again, or rather repeat them. I said it was not fair to criticize a measure unless one was prepared to submit something constructive, and I suggested the following:

> Let me, sir, offer some suggestions. First, have it arranged that each department shall have departmental reports ready before the fall of the year and handed to the translators before the English text of the report is printed. At present what do we find? Departmental reports in English are handed to the translators in many cases only after the English edition has come from the printing bureau. This suggests one way of avoiding the tardiness that has worked itself into the printing of the reports. Matters should be so arranged that these reports shall be given to the French translators as soon as the English version is complete, or, better still, as twenty, thirty or forty pages of the copy are completed and certified by the proper authorities, those pages should be handed over to the French translators. It would then be found that the French version would be ready to go to the printer within two or three days after the English version is ready.

Then I went further and said:

> It has become an almost universal practice among ministers of the crown—I am not going to include myself in this category; for when I was in the government these reports were ready in time—to delay sending to the printers until the fall of the year the reports for the year ending the previous March 31st. If the minister would issue an order that these reports must be ready soon after parliament prorogued, say the last part of July or the

early part of August, there would be no further cause for complaints about tardiness in the printing of those reports.

Further on I made a third suggestion: Do not pass documents to persons outside the service for translation, and fourth: do not allow young bilingual clerks and typists to handle the translation of any documents.

Then fifth:

With reference to the debates of the commons, see that a typewritten copy of the English transcript is handed to the Commons staff of translators just as soon as the English reporters can furnish it, and have the French translators begin translating when they receive that typewritten copy. Instead of doing that, what happens?

And then I go on to explain what happens.

Now, Mr. Chairman, I find that an order in council was passed, I think on May 21st, and laid on the table here last Wednesday. When I was speaking on Wednesday I did not know that that order in council referred to this matter, I learned it the next day in reading the press. Reading that order in council carefully I find that two or three of the most important suggestions made by me on that occasion are included in the document. I am going to read the order in council. It is not necessary to encumber Hansard with the whole of it but, I shall take that part that refers to the point I wish to make. After certain whereases it says:

That in order to maintain the efficient operation of the printing bureau and to reduce its costs to a satisfactory basis, it is necessary to insure that the supply of printer's copy for printing all departmental reports and documents shall be balanced uniformly throughout the fiscal year;

That, as the printing bureau is subject to extraordinary demands during the session of parliament for printing and binding the debates and proceedings of the Senate and House of Commons, it is essential for the economic operation of the printing bureau that the printer's copy of all departmental reports to parliament, usually known as "blue books," should be made available to the king's printer, in both English and French, as early as possible after the close of each fiscal year;

That the Secretary of State is reliably informed that the federal government of the United States peremptorily insist that the printer's copy for all reports of the several departments of that government shall be available for the printer within three months after the close of their fiscal year; and

That the adoption and strict enforcement of a similar regulation by the government would provide continuous work for the printing bureau uniformly from month to month throughout the fiscal year, and thereby afford constant and continuous employment for the employees of the printing bureau, curtail the excessive cost of overtime night work during the session of parliament, considerably reduce the general expenses of operation of the printing bureau, and enable this department of government to provide an adequate and more satisfactory service at considerably less expense;

Therefore His Excellency the Governor General in Council, on the recommendation of the Secretary of State, is pleased to order and it is hereby ordered that it shall be the express duty of the deputy heads of all departments of government to insist that the printer's copy of all departmental reports, complete in revised typewritten form, in either the English or the French language, shall be delivered to the king's printer on or before the first day of July in each and every year;

Now, Mr. Chairman, right here I shall—

The CHAIRMAN (Mr. Bury): The hon. gentleman has spoken for forty minutes.

Mr. VENIOT: No, Mr. Chairman, I have spoken little more than five minutes.

The CHAIRMAN (Mr. Bury): I call the hon. member's attention to the fact that he spoke half an hour on Wednesday.

Mr. VENIOT: I ceased then. In committee of the whole I think I can discuss an item more than once.

The CHAIRMAN (Mr. Bury): The hon. gentleman has a right to speak again. The whole question is whether his speech this afternoon is a continuation of his speech on Wednesday. If it is not, then the position is that any other hon. member of the committee to-day could have risen to speak the moment the committee was called to order. But the hon. member rose as of right to continue his interrupted speech.

Mr. CHEVRIER: Mr. Chairman—

Mr. CAHAN: Before the hon. gentleman continues I wish to state that when he made his suggestions—

Mr. VENIOT: I do not think this is in order; I have the floor.

The CHAIRMAN (Mr. Bury): The question at present is whether the hon. member is correct in his view that the rules of committee permit a speaker whose speech had been interrupted by the rising of the committee from its previous sitting, when he resumes his speech at the next sitting in committee, to consider that he is recommencing another forty minute period.

Mr. BOUCHARD: It is a new speech.

The CHAIRMAN (Mr. Bury): I think that is a matter which the committee ought to settle.

Mr. VENIOT: I am not resuming; on Wednesday I finished what I had to say then.

The CHAIRMAN (Mr. Bury): Rule 58 provides that the standing orders of the house shall be observed by the committee of the whole so far as may be applicable. In my opinion, though I am prepared to hear members of the committee on the point, a member who has spoken in committee one day has no right to resume his speech in committee the next day, and to consider that he is commencing a new speech.

Mr. POULIOT: Will you please give me the rule and the paragraph?

The CHAIRMAN (Mr. Bury): Rule 58, paragraph 1, page 157 of Beauchesne:

The standing orders of the house shall be observed in the committees of the whole house so far as may be applicable—

Mr. POULIOT: But it continues:

—except the standing orders as to the seconding of motions and limiting the number of times of speaking.

The CHAIRMAN (Mr. Bury): That has nothing to do with it. We are not limiting the number of times of speaking at all. This is a simple question as to whether a member of the committee has a right, after having spoken for say thirty minutes on the previous day, to take up another forty minutes when the committee resumes the following day.

Mr. POULIOT: Then you establish a new jurisprudence.

Mr. VENIOT: I did not adjourn the debate on Wednesday. If I had adjourned the debate I think the ruling would be quite right.

The CHAIRMAN (Mr. Bury): The answer to that argument, I think, is that it is not necessary to adjourn the debate; the debate adjourns itself at six o'clock.

Mr. CHEVRIER: Rule 58, which you have just invoked, reads:

The standing orders of the house shall be observed in the committees of the whole house so far as may be applicable—

It is well understood that there are a number of rules observed in committee that do not prevail when the house is sitting as a house. In the house no hon. member has a right to put a question to another hon. member except by consent. When the committee is sitting the same rules that prevail in the house apply to a certain extent, but while in the house no questions are allowed, in committee of the whole frequent questions may be asked and answered, so this must be taken mutatis mutandis. Under those circumstances I submit that the forty minute rule of the house cannot apply to the sittings of the committee of the whole. It might be said that the moment the hon. member is interrupted in committee of the whole, immediately his forty minutes is completed and then he can begin all over again. I stood up, and the Secretary of State stood up and interrupted the hon. member.

Mr. GUTHRIE: Would not that be the best way to settle it? He has been interrupted; let him go on.

Mr. POULIOT: Speaking to the point of order—

Mr. GUTHRIE: It has been withdrawn.

The CHAIRMAN (Mr. Bury): With the consent of the committee the hon. gentleman may continue, but this is a question that ought to be settled.

Mr. POULIOT: If the committee has to settle it I should like to speak to the point of order for a moment.

The CHAIRMAN (Mr. Bury): There is no need to debate it now; the hon. member has the consent of the committee to go on.

Mr. POULIOT: You have said that the point ought to be decided, and I want it to be decided now. Rule 37 states that no hon. member shall speak for more than forty minutes during the course of any debate. That rule applies in the house but it does not apply when we are in committee of the whole, because rule 58 states that the rules of the house shall be observed in committee except the rule limiting the number of times of speaking. We are not debating now; we are discussing. In the house we debate; here we discuss, and the Minister of Justice understands that difference very well.

The CHAIRMAN (Mr. Bury): I cannot follow the hon. member's argument, but with the consent of the committee the hon. member for Gloucester (Mr. Veniot) may proceed.

Mr. VENIOT: Thank you. I was referring to the order in council and the provision contained therein with regard to the printing of departmental reports. I find that this order in council contains my first suggestion in full, and that it also includes suggestions two and five in substance. Suggestions three and four, which referred to giving translations to clerks and sending translations outside are not referred to in the order in council, and I can understand why it was not necessary to do so; those matters can be arranged by the different

departments without the authority of an order in council.

The part of the order in council which refers to the method to be adopted in reference to the translation of departmental reports could be applied with equal force to the production and translation of parliamentary debates, both of this chamber and of the Senate. At page 979 of Hansard for February 27 of this year, in giving reasons for the introduction of this bill the Secretary of State said:

> —I was informed, as the minister responsible for the administration of the Department of Public Printing and Stationery, that the publications of French translations of public documents were frequently so long delayed as to impair, if not to destroy, their usefulness to the government and to the public.

This statement could leave but one impression, that the delay was due to the translators. When I spoke previously I pointed out how and why this delay was caused. I now find that the Secretary of State must have convinced himself that I was right; he must have looked more fully into the matter, if I am to judge from the order in council that I have just read. This order in council now places responsibility for the delay where it properly belongs, on the various departments of the government and not on the translators. The responsibility for this delay now having been placed on the proper shoulders I hope the Secretary of State will not continue to blame the translation staff.

According to the hon. gentleman, however, we have still another evil; that is, the too great cost for changes that have to be made in type after the translation has been handed to the printer. I have gone into this matter already and have attempted to show that this extra expense cannot be attributed to faulty translation in such large measure as the Secretary of State suggests. If there are errors attributable to faulty translation—and no doubt there is some faulty translation—it cannot be helped in the ordinary course of events. Such faulty translation must exist, to some extent, but there is a remedy for it. All the hon. gentleman has to do is add to the present order in council another suggestion I intend to make, and I want the Secretary of State to give very careful consideration to it. All he has to do is to add to the present order in council the provision that instructions be issued to each department to the effect that no translation shall be sent to the printer until such translation has been revised by the person responsible for the correct translation. This

revision is to be done when the translation has been typewritten, and not after it has been put into type. If this is done, the galley proofs will come back to the translation branch of each department, and be returned practically as a clean sheet. Then the government would further avoid the necessity of furnishing to the translators a loose-page proof. The latter, in itself, will save considerable delay as well as considerable extra cost. That is not being done to-day and the system should be changed in order to bring about the procedure which I am now suggesting. All the Secretary of State has to do is to add the instructions to the present order in council, or have placed in the order in council instructions to the effect of those I have just stated.

But there still remains the author's changes. If, after the galley proof has been submitted to him, the author has made no changes in the English version, there will be no changes made in the French translation. But if the author's changes have to be made, then one may definitely know what those changes are, and what the cost has been in making them. The minister could then quite easily distinguish the charges to be made for errors by authors or errors in translation which, evidently, according to the evidence given before the committee of investigation they are not now in a position to do. I claim that they should now be able to do so. I claim, further, that it is at the present time an easy matter to do so. If it is not done and has not been done in the past, it is because the work of the printing bureau has been carried on in a loose manner. Of course, I am not blaming this government any more than any other government for that condition.

I wish further to point out how unfair some of the criticism made by the Secretary of State has been. Before doing so however, let me say that if in the first two or three years in which he was in charge of the department he had obtained the passage of the order in council tabled last Wednesday, he would not be confronted with the worries which now assail him, and under that order in council, which I claim is the keynote to a solution of the difficulty, we would have a system established. I state that under it there could be established a system which, with the additions I have indicated, would give satisfaction to all concerned, and thereby avoid the necessity of introducing this bill.

On May 9, I find that Mr. F. G. Bronskill gave evidence before the civil service committee, and it is indicated in the evidence that he is the accountant of the printing bureau.

In answer to a question by Mr. Chevrier touching upon the question of errors in translation he said—

Mr. DUPRE: At what page?

Mr. VENIOT: I have not the page, but I copied the evidence exactly as it appears in the official report. Mr. Bronskill's reply was:

Well, I do not know quite why you refer to translation. So far as we are concerned, it is an author's alteration, that is a change in the proof made by the author. The cost of that for the year 1933-34 is given at $58,000.

Then, in reply to some other questions he said, in substance:

It would be very difficult to tell how much of that money is due to translations,—to French corrections or English corrections.

Then he was asked the following question:

And therefore, it is all put together?

—referring to the $58,000—and the reply by the witness was "Yes." Then comes the following question:

Without knowing exactly what amount is due to the corrections of the French groups and the corrections of the English groups?
A. That is correct, sir.

In the face of such answers from the accountant of the printing bureau surely the Secretary of State cannot blame hon. members for casting very grave doubts on his statements made at various times and places as to the very heavy cost brought about by changes in type due to faulty translations. I feel the Secretary of State must have been led astray by someone in whom he had great faith, because I do not believe that he would wittingly, himself, commit such an error in regard to the cost of translations. Apparently the official merely guessed, and gave the minister the result of such guess work. Now that they have been driven to separate the cost of errors by authors and errors by translators they cannot do so, and the minister has been left to bear the brunt of the criticism. Is it not time that the minister disciplined the printing bureau? He must now know that the—

Mr. CAHAN: Mr. Bronskill is not under my jurisdiction as Secretary of State, as the minister having charge of the printing bureau.

Mr. VENIOT: He is the accountant of it.

Mr. CAHAN: He is an accountant in the Department of Finance. I do not know whether he has been there three months or six months.

Mr. VENIOT: He is in the printing bureau.

Mr. CAHAN: He may be there now, but I do not know how long he has been there. He is not under my supervision.

Mr. POULIOT: He is an able man.

Mr. VENIOT: Before the committee, as one of his qualifications he stated he was the accountant of the printing bureau. Is it not time that the minister disciplined the staff of the printing bureau—not only Mr. Bronskill but the whole staff? The witness before the committee said he could not distinguish the difference in cost between the corrected French translations and authors' errors. I think it is time that this gentleman was told it is his duty to do that, and that if he does not do it someone else may be obtained who will do it. I would advise the minister to apply his knowledge of organization to the accounting branch as well as to the directing branch of the printing bureau.

Mr. CAHAN: I have no control over it.

Mr. VENIOT: No control over the printing bureau?

Mr. CAHAN: Over the accounting.

Mr. VENIOT: I said direction, as well as accounting.

Mr. CAHAN: I have no control over the accounting.

Mr. VENIOT: But I have added to the word "accounting" the word "directing."

Mr. CAHAN: I have it, and I have exercised it.

Mr. POULIOT: It shows the absurdity of centralization.

Mr. VENIOT: Following the question of the unfairness which I claim has characterized the criticisms by the Secretary of State on this matter of faulty translations let me come to another point in connection with which I believe he did not do justice to himself or to the matter under consideration. I refer to the evidence given by the Secretary of State before a certain committee. I find Mr. Cahan saying, "I can show you instances of French translation of Senate work that did not come out until a year after the meeting was held." The minister seems to be obsessed by French translations; it seems to be his bête noire. But he does not say a word about delays in printing English versions.

Then an hon. senator took up the cudgels apparently for the translator or for the cost of translation. What do we find? The senator said, "Until this year we did not

have much cause for complaint in respect to the French translation of Senate proceedings, but this year the government cut off our money for translation, and we have no translation."

Mr. POULIOT: Hear, hear.

Mr. VENIOT: In reply to that Mr. Cahan said, "I did not know that."

Mr. POULIOT: Hear, hear.

Mr. VENIOT: I am surprised to find an astute minister, such as the Secretary of State, giving such a reply. Some discussion then took place as to the difference in cost between having documents printed by the printing bureau and by outside printers, and what do we find? Senator Sharpe said:

Senate translation in French costs for 85 copies $4,519 on the average but that work can be done outside for $2,760.

I want those figures to be noted, and also what follows:

Hon. Mr. Cahan: I have no doubt it could be done for that if clean proofs were handed in. But look at the way the proofs come to us. Here are specimens.
Mr. Sharpe: Surely clean proofs would not be responsible for so much difference in cost.

Senator Sharpe was quite right. Clean proofs could not account for one-quarter of the difference in cost referred to by him.

Mr. CAHAN: I will show you the difference in a few moments.

Mr. VENIOT: I hope the minister will bring along a little better evidence than what has so far been produced because he has not yet convinced the members on this side of the house, nor has the committee been convinced I am sure from the evidence already produced before the investigating committee, that there was any necessity for this bill.

Then we have the statement of the hon. the Secretary of State at page 982 of Hansard of February 27 of this year. He said:

Now it was ascertained by one of the committee under the control of the treasury—

I want this to be noted:

—that the setting up in type of these corrections made in the text after it had been set up in type and sent for revision—not all French, but a great deal of it, some of it being in English—over a series of years, in wages in respect of the resetting of that type after it had been first set up in the printer's text, varied in cost from $75,000 to $80,000 a year.

Yet, Mr. Chairman, in the face of that statement I have just quoted we have been unable to ascertain what was the cost of the corrections of the French text as distinct and separate from the rest. Apparently the committee under the control of the treasury had ascertained that in detail or no such statement could have been made by the Secretary of State. Why has not the report of that committee been brought before the civil service committee of this house so that it would be in possession of the facts? It is no answer to say that the civil service committee had the opportunity of asking for that report. It is no answer to say: You could have examined the witnesses, because the names of the members of that committee have been completely hidden from this house. We do not know who the members of it were, or who was the person who made the report to the governor in council.

Mr. CAHAN: The names are on the records of this house.

Mr. VENIOT: But that report was never submitted to the civil service committee.

Mr. CAHAN: The names of that committee were reported to the house.

Mr. VENIOT: They are members of the council, are they not?

Mr. CAHAN: They were not.

Mr. VENIOT: I do not see their names on the records of this house. I would like to see them.

Mr. CHEVRIER: The minister time and again has said that that was a privileged report.

Mr. CAHAN: Quite so. The hon. member was asking about the names of the committee.

Mr. CHEVRIER: What is the use of handing out names if you cannot discuss the report of that committee?

Mr. CAHAN: He said he could not get the names and I said they were on the records of this house.

Mr. VENIOT: I hope the hon. gentleman will produce them. Why is the report of that committee not now before the committee of the whole house for our consideration? Why keep it back from this committee? It should be produced and laid on the table so that this committee would have the opportunity of looking into it and seeing how and when and where the committee based their charges of extra cost against translation and against authors' corrections. We have a right to ask for that, Mr. Chairman, and the minister should produce that report so that we may judge whether this bill is the remedy for all

the difficulties that have been specified by him. We should know what the reasons were for the introduction of a bill such as this.

Now I wish to touch upon the work of the printing bureau as done by unilingual and bilingual operators. As I understand it—I may be astray but I think I am correct—when the departmental reports in English are sent to the printer the whole staff of operators, unilingual and bilingual, are put to work upon them, and in that way the English edition can be rapidly got out because the whole staff is working on it. But when the French translation from that English edition is sent to the printing bureau for putting into type the employees who do that work are bilingual employees, only, not unilingual and bilingual as in the case of the English edition, and that is the reason for the accentuated delay in the issuing of the French editions of these reports.

Mr. CAHAN: Is the hon. gentleman speaking of bilingual compositors or translators?

Mr. VENIOT: I am talking of linotype operators and compositors. I say that the French translation of the English version is handed to the bilingual operators to be set in type and they have to rush that work through notwithstanding that they were able to devote all the time that was required to carry on the unilingual typesetting and linotype operation of the English version.

But, Mr. Chairman, if my proposition is accepted and the two versions are submitted simultaneously in English and in French—by simultaneously I do not mean to say that the English and French versions should be ready at the same time, but the French translation of the English version could be submitted fifteen or twenty pages at a time, and then you would have the operators in the bureau continuously employed and the minister would not be beset by the problems confronting him to-day in trying to keep the whole staff regularly employed. Further, he would be in a position to do away with all this rush work and would be able to have a timely regulation of the work carried on at the printing bureau. That is impossible under the present system. He must change that system in order to do it. The change I suggest would result in a saving to the government and in the work being done efficiently.

I come now to the question of the cost of corrections. I have studied this matter very carefully. I do not wish to repeat what I said on Wednesday and go into this whole question again, but when I was speaking on that day I was not speaking in any boastful way as some hon. members opposite sought to imply. I have the experience which enables me to deal with questions of this kind, especially as to cost, and I think I can direct the minister to a proposition which would enable him to ascertain definitely where the cost lies and how the matter should be treated in the future if he wishes to avoid these extra costs.

First of all I claim that we have a right to know, and if the printing bureau cannot give this information they are not worthy of holding the positions they hold, and as well it would be interesting for this committee to know the definite cost of corrections in faulty French translation which have to be made after setting the copy up in type. We should also be informed as to the exact and definite cost of making authors' corrections in type and putting the material in proper shape in English and in French. Let me direct the attention of the committee to the fact that the law bills submitted to the House of Commons and to the Senate contain more author's corrections in English than in French. There are no corrections in French unless the author of the English text is forced to correct. To correct what? The faulty construction of the bill which he has prepared for the government. The committees of this house are authors because changes are made and bills are brought back to be reprinted. Everything which pertains to these changes must be eliminated from the original bill and the changes correctly inserted. In this way the changes in English are the sole basis of the extra cost of changes which must be made in the French text.

Mr. CAHAN: That is far from the case.

Mr. VENIOT: That is not far from being so. The only extra cost which can be attributed to the French text is the revision of faulty translation which has been discovered. I admit that there has been some faulty translation but the printing bureau should be in position to distinguish between the cost of faulty translation and the cost of corrections in French due to author's errors and changes made by the committee of the whole house and other committees. I am convinced that the costs of these changes in legislation and so forth will amount to at least fifty per cent of the $58,000. I challenge the Secretary of State to produce to this committee one account which will disprove the statement I am going to make. I challenge him to produce an itemized and detailed statement of the cost of corrections because of faulty trans-

lation. If that is done I know he will find that that which can be properly charged to faulty translation will not amount to ten per cent of the $58,000. I make that statement without fear of contradiction.

The CHAIRMAN (Mr. Bury): The hon. member has spoken for forty minutes.

Mr. VENIOT: At least ten minutes of my time has been used up in the discussion of points of order and so forth. It will take me only about three minutes to complete what I have to say and then I will speak no further on this bill. You will be saving time by allowing me three or four minutes.

I have dealt with the extra cost entailed by authors' corrections and corrections in faulty translation, I have made suggestions which were considered to be sufficiently of a constructive nature to warrant inclusion in the order in council, I have submitted further constructive suggestions to-day which I am sure would be effective if applied, but I have still a further suggestion to make. In view of the strong opposition to this bill as expressed in the house and in the press, in view of the fact that several heads of departments such as the acting Deputy Postmaster General, the assistant director of the Royal Canadian Mounted Police and the chief of translation of debates have not approved of the changes contemplated, in view of the fact that the order in council which has just been passed will, if put strictly into effect, meet the major difficulties with which the minister is faced, would it not be well for him not to force this bill through but take one year in which to work out the suggestions contained in the order in council? In that time a fair trial could be had and if the suggestions contained in the order in council did not prove effective, then this measure could be put into effect.

Mr. CAHAN: Due I suppose to his experience in the printing business, the hon. member has made some suggestions which are more or less valuable. I only regret that he did not use his experience for the benefit of my predecessor in office as then I would not have been overwhelmed with the difficulties which I now face.

Mr. VENIOT: The question never arose.

Mr. CAHAN: With respect to the suggestions which he made in the house on March 6, 1934, I made the following statement which appears at the top of page 1242 of Hansard:

> I fully agree with what the hon. member has said so far.
>
> [Mr. Veniot.]

Mr. VENIOT: Why did you not put them into effect?

Mr. CAHAN: They have been embodied in an order in council but the provisions of the order in council are inadequate to overcome the difficulties with which I have been confronted. If the hon. gentleman thinks that I have not given attention to the printing bureau then he is very much mistaken.

Mr. VENIOT: I did not wish to leave that impression.

Mr. CAHAN: The mere cost of printing, binding and lithographic work plus the cost of paper for the year ended March 31, 1930, amounted to $2,482,851.95. For the last year for which accounts have been made, that is the year ended March 31, 1933, these operating costs of the printing bureau amounted to $1,709,494.49. That is, a reduction in the operating costs of the printing bureau of $773,-357.46 had been effected.

Mr. CHEVRIER: How much of that was wages?

Mr. CAHAN: A great part was wages but I am dealing with the operating expenses of the printing bureau and have shown that in three years they were reduced by $773,357.46.

Mr. POULIOT: If you decided to print nothing, there would be no costs.

Mr. CAHAN: With regard to the purchases by the stationery department for the various departments of government and for this House of Commons, great care has been taken. No order for $500 or over has been made without competition, and in many cases of which I have known where the amount was less, the same holds true. All competitive bids have been submitted to the governor in council and approved by order in council. The expenses of this department for the year ended March 31, 1930, were $1,435,414.39, while for the year ended March 31, 1933, they amounted to $1,001,833.30. The reduction in the operating expenses of the stationery branch during a period of three years amounted to $433,581.09 additional.

Mr. CHEVRIER: How much in the way of wages is included in that?

Mr. CAHAN: I am not talking about wages; I am talking first about the management of the printing bureau. Therefore, on those two branches, first the operation of the printing plant, and, second, the stationery branch, there has been a reduction by the year, comparing those years, of $1,216,938.55, and that reduction has not been made with-

out considerable attention and careful supervision. The hon. gentleman has challenged me to produce a single case which shows excessive cost of corrections in the French text of translation after those translations have been sent out as being the final printer's proof to the printing bureau.

Mr. VENIOT: I know the hon. gentleman does not wish to lead the committee astray.

Mr. CAHAN: No. He said: Give me one case, and I am giving it.

Mr. VENIOT: No, I did not. I did not say one case of faulty translation. I admit there were faulty translations.

Mr. CAHAN: The hon. member said: Give me a case in which the cost was excessive. He said that it would not be over five or ten per cent.

Mr. VENIOT: The minister must not put words into my mouth.

Mr. CAHAN: If I am not correct, I will be glad to be corrected.

Mr. VENIOT: I asked him to give me one case showing the distinction between the cost of faulty translation and of authors' corrections.

Mr. CAHAN: I am giving it.

Mr. VENIOT: The minister is not giving it.

Mr. CAHAN: Will the hon. member please wait and hear what I have to say before he criticizes? When I was summoned before a committee of the Senate, this was due, as I understand the matter, to the fact that an hon. member of the Senate had found that the cost of printing the Senate debates in French was excessive. He had taken the French Hansard as printed, revised and bound, sent it to a representative printing establishment and asked what would be the cost of printing, publishing and binding that Hansard. The cost as shown in the Senate accounts for the French Hansard was $4,915.46. That was the figure that the hon. senator presented to me, and he said: How do you justify charging against the Senate $4,915.46 for work which I find a representative printing establishment is prepared to do for $2,760? That was the problem presented to me. In the printing bureau throughout the years, in every job so-called that comes in, the actual cash cost of making corrections, whether in French or English, is kept and charged up to the cost of the departmental work. The difficulty before the select committee was that the printing bureau was asked in a day to go through several thousand accounts and pick out those items of costs of translators' corrections to present to the committee, a task which it was said was impossible in the length of time which was given for doing this. The committee of the commons it will be remembered, sat from time to time for two months and a half to consider the bill which is now before the house.

I was able to produce to the select committee of the Senate the actual items of the charge made against the Senate in that case. This deals with the Senate debates of 1932-33 and the French edition, revised and bound. The details of the cost of printing cover 584 pages including index, and the number of copies required for the Senate was eighty-five. In the Senate there was not a revision from day to day of Hansard and no French Hansard was issued from day to day there as is done in the case of the English Hansard of the Senate and of the House of Commons. Therefore, when the French translator of the Senate began his work, it was after the English edition of the Senate Hansard had been published, revised, printed, bound and given out. The translation evidently began in September, although parliament had prorogued in the previous July.

Dealing with this case, while I would like to be allowed to put a tabulated statement on Hansard, I will read it. The composition in the Senate, after there is a completely revised English edition printed, bound, published and distributed, was as follows:

Composition:	
Hand work	$ 888 66
Linotype work for entire edition	1,531 28
Monotype for headings	55 28
Translator's alterations	2,250 83

That is, the corrections in the translator's copy, after it had been sent to the printing bureau, put into type and then sent back, read by the proofreaders of the printing bureau so that the actual French copy as received was sent back in type, the text in type having been compared, cost $2,250.83.

Mr. CHEVRIER: Will the minister say why I did not get those figures in the committee?

Mr. CAHAN: I suppose the hon. member did not ask for them. I was not a member of the committee.

Mr. CHEVRIER: The record is complete and replete with my demands for it.

Mr. CAHAN: I did not know the hon. member asked for it.

Mr. BOUCHARD: The minister knows he is dealing with an exceptional case.

Mr. CAHAN: I am dealing with this case. It may be exceptional in some respects, but it is not so very exceptional. I will deal with it fairly. Those are the facts that were put up to me. If the hon. gentleman had sat in my office and been told month after month except in cases where I have been abroad on public business, as to the excessive cost of these corrections in translations, photographically placed before me when I complained of the excessive costs of the bureau—

Mr. BOUCHARD: The minister knows these are exceptional and he knows why. He knows the translator was overworked.

Mr. CAHAN: I showed the house many photographs exhibiting translators' corrections.

Mr. VENIOT: The minister showed no photographs of the English corrections.

Mr. CAHAN: There are no corrections in the English edition that I have seen as bad as that.

Mr. VENIOT: They are bad enough in some cases.

Mr. CHEVRIER: The minister is right in saying those that he has seen; but the English ones were not shown to him.

Mr. CAHAN: They were not shown to me to demonstrate the cost of French corrections.

Mr. CHEVRIER: There was a happy selection.

Mr. CAHAN: They were shown to me because it was repeated to me from time to time that the cost in the printing bureau was higher than the same printing could be done in places outside the printing bureau.

Mr. POULIOT: Then the minister was not fully informed.

Mr. CAHAN: There is no printing establishment in Canada that can do its work more economically than we are capable of doing ours in the printing bureau.

Let me revert. The other items in the details of cost of printing are as follows:

Press work	$102 40
Binding	71 85
Paper	15 16

This makes a total cost of $4,915.46.

Of that entire cost almost one-half, namely $2,250.83 was due to the actual cash paid out in the re-setting in type of page after page. And more than that, the hand work which is shown in composition includes the work after the linotype corrections are made and the metal form comes from the linotype machine. There is certain handwork in picking out the incorrect type from the old galley of type and putting in the new. And part of that hand work, costing $888.66 is due, not to the linotype, but to picking out the old type and putting in the new after the linotype corrections have been made. That is a very long and continuous operation, in view of the quantity and extent of the changes made.

Mr. CHEVRIER: But might I ask—I think the minister will be fair—

Mr. BOWMAN: Let the minister go on.

Mr. CHEVRIER: I want to be fair to him on this occasion, although in his estimation I may not have been as fair as he would like on other occasions. He submits this particular case, he knows I am aware of it—

Mr. CAHAN: Please allow me to finish.

Mr. CHEVRIER: Does the minister submit this as a fair sample of what is done usually?

Mr. CAHAN: It may have been an unusual case in this respect, but you see the same thing time and time again with regard to those French translations.

Mr. CHEVRIER: If the minister is not fair on this occasion I will cease to be fair to him.

Mr. POULIOT: You cannot cease to be fair.

Mr. CAHAN: The hon. member does not know anything about the operation of the printing bureau except what he is told by interested parties.

If the copy received from the French translators in the first instance had been correct we would have saved at least $200 on the handwork and $2,250 in resetting translators' alterations, making a total saving of $2,250 on this whole job. If this extra cost of alterations in the printed text could have been avoided the entire cost of the French Hansard for the Senate debates would have been reduced from $4,915 to $2,465.

Mr. CHEVRIER: And the minister knows how it could have been done.

Mr. CAHAN: Certainly, it could have been done if we had had charge of the translation.

The CHAIRMAN (Mr. Bury): Order. I must ask hon. members not to interrupt the minister without his consent.

Mr. CHEVRIER: Let the minister be fair.

Mr. CAHAN: I am stating absolute facts. I do not wonder the hon. gentleman does not relish them after some of the statements we have heard in this house.

Mr. CHEVRIER: Well, it is not because—

Some hon. MEMBERS: Order.

Mr. CHEVRIER: If the minister wants to go into this case I shall go into it with him.

Mr. CAHAN: I am simply replying to a challenge made from the other side of the house.

Mr. CHEVRIER: Watch where the chips fall.

Mr. CAHAN: I am not particular about chips. If this house or this government think I am not administering my department efficiently they are welcome to my portfolio on any day of any week. I have given to that department the very best of my experience in business life; I have given it my wholehearted attention night and day since I have been there.

Mr. POULIOT: The minister is just as fair as bad weather.

Mr. CAHAN: In this case the cost suggested is the estimate of an outside printer, who made his estimate having a revised and bound copy of the French Hansard before him, basing it on the actual cost of composition without corrections. They estimate the actual cost of doing it in a first class establishment in Canada, without their profit, as $2,760. If it had not been for this faulty translation which had to be corrected, the cost of the printing bureau would have been $2,465. Now I wish to go further.

Mr. CHEVRIER: That is far enough.

Mr. BOWMAN: Plenty, I would say.

Mr. BOUCHARD: That is just one case.

Mr. BARRETTE: One at a time.

Mr. CAHAN: Take the English edition of the Senate debates, in order that you may have a fair comparison. The unrevised English edition of the Senate debates for the same session, of which 1,015 copies were printed and issued daily, cost as follows:

Composition:	
Hand work	$ 684 07
Linotype	1,058 91
Monotype	50 77
Author's alterations	1 23
	$ 1,794 98
Press work	211 36
Binding	91 33
Paper	132 43
	$ 2,230 10

But for the revision of the Senate Hansard in English, members of the Senate who speak in English—and they all speak in English—were allowed to make such corrections as in the House of Commons members are allowed to make for the revised edition. For the final revised edition all these forms have to be reset in another way for printing, and the cost was:

Composition:	
Hand work	$ 449 64
Linotype	56 10
Monotype	2 45
Author's alterations	694 41
	$ 1,202 60
Press work	146 39
Binding	171 49
Paper	58 01
	$ 1,578 49

That is the total cost in respect of the entire revised edition of 362 copies printed and bound for distribution. So if you take the cost in the Senate of issuing the English Hansard from day to day to the extent of 1,015 copies, including the entire cost of the revisions, the reprinting and the binding of the English edition for the permanent bound edition of 362 copies, the total cost of both was only $3,808.59. Therefore you find that although there were only 85 copies of the French edition, which was the one and final edition, both the English editions, the daily and the revised and bound edition cost only $3,808.59 compared with $4,915.46 for the single French edition.

Mr. BOUCHARD: Will the minister allow me a question?

Mr. CAHAN: Certainly.

Mr. BOUCHARD: Would the minister look at the other end of the question, not only from the printer's point of view but also from the writer's point of view, and see what it costs for the staff for the English edition and the staff for the French edition.

Mr. CAHAN: Staff where?

Mr. BOUCHARD: I mean the staff of translators, editor and proofreaders.

Mr. CAHAN: I am trying by this bill to procure efficient translations, and I hope it will go through.

Mr. CHEVRIER: I hope not.

Mr. CAHAN: I think it should receive the unanimous approval of this house. When a minister of the crown is made responsible for translations he will have the opportunity of seeing whether the translators do their work with efficiency and competency.

Mr. CHEVRIER: It is apparent that they do now.

Mr. CAHAN: Therefore I say that this extra cost of the French edition of the Hansard, with respect to which as a member of the government I was summoned to give evidence before that committee of the Senate to which reference has been made, was due solely to the inefficient work of the French translators of the Senate in preparing their copy for the printer.

Mr. CHEVRIER: How many translators are there in the Senate?

Mr. CAHAN: I have no more knowledge than the hon. gentleman has.

Mr. CHEVRIER: I have knowledge.

The CHAIRMAN (Mr. Bury): I must ask hon. gentlemen to keep their seats and not interrupt without the consent of the minister.

Mr. CHEVRIER: Then may I ask the minister to say how many French translators there are in the Senate, if he knows who was responsible for the translation with which he has just dealt, and where that gentleman is to-day?

Mr. CAHAN: I can only say that the name on the printed text for corrections is given, but more than that I do not know.

Mr. CHEVRIER: The minister dare not say who the gentleman was who did that work.

Mr. CAHAN: Does the hon. gentleman wish me to give the name? I know what the French proof discloses—

Mr. CHEVRIER: The minister is on very thin ice at the moment.

Mr. CAHAN: I am not on thin ice; for more than three score years I have learned to walk on thin ice or thick, and I find that if one relies on a truthful statement of the facts it carries him over thin as well as thick ice. That is my reply to the challenge that has been made. I dislike to name officials—

Mr. CHEVRIER: Then be fair.

Mr. CAHAN: I will leave it to the house to decide. Time and again hon. gentlemen opposite have referred to the incorrect and inefficient translations from English into French of the speech of His Excellency the Governor General at the opening of this session of parliament. Before this house I have not done otherwise than assume the responsibility on behalf of the government as being responsible for that translation. I should like to say now, however, that despite the insinuations of hon. gentlemen that this translation was made somewhere outside by some incompetent translator—

Mr. CHEVRIER: It was a good thing it was done outside.

Mr. CAHAN: —I say that translation was made by one of the chief translators of the House of Commons, and every bit of condemnation which hon. gentlemen opposite have heaped upon that translation is so much criticism in condemnation of one of the heads of the commons translating branch, which is under the control of the House of Commons and not of the government. Now if you insist upon having the name I am prepared to give it. Every bit of condemnation that I have accepted and for which I have assumed responsibility as the member of the government responsible for the administration of the Department of the Secretary of State. I have borne rather than reveal to this house how incompetent, in the opinion of hon. gentlemen opposite, is one of its chief translators, though he had two or three associates and a total staff of ten to consult with in making that translation.

There is nothing covert or concealed in this bill. We have done everything we can to place the printing bureau on a satisfactory and unprecedentedly efficient basis, and we are carrying out that purpose. Hon. gentlemen opposite must know that for the first time in many years a member of the French-Canadian race has been placed in charge of that bureau, and I must say that he has co-operated in every way to carry out the reforms I have suggested. But I cannot complete those reforms so long as translations are in the hands of appointees over whom the government of this country has absolutely no control. Therefore the time has come when, if the government is to assume the responsibility of producing French and English versions of departmental reports and other governmental documents on time, to satisfy the demands of hon. gentlemen opposite, to satisfy the demands of the whole body of the French-reading public in Canada, to satisfy the demands of those departments which do business with foreign countries where the language is French, I say it is absolutely

necessary that the government should assume the responsibility of organizing this translation bureau as a part of the civil service of the country, so that those there employed shall be placed under ordinary civil service regulations and have, as such civil servants, all the advantages and privileges that accrue to the civil service of this country. That is my sole desire. I have no desire at all to criticize. Hon. gentlemen have done that to the greatest extent; in criticizing the translation of the speech from the throne they have criticized the men who are now doing the translation work for this House of Commons.

May I say, Mr. Chairman, I have not regretted that, with regard to some of these officials, I have shielded them as long as I could. The provocation offered by hon. gentlemen opposite has continued to the point where to shield them from such criticism is no longer possible. But when this translation bureau is organized under this proposed act those men who are employed in this service will have the full advantages of occupying positions already recognized in the civil service, and an honest and efficient effort, impartial to the extreme, will be made to that end by the civil service commission and by the superintendent to be appointed by the civil service commission, under such direction as it may be necessary for the minister to give. There will be no fear and no favour. Men who are competent will receive their just advancement and be maintained in their positions, but we will expect that when translations come from the new bureau in fair copy for those employed in composition at the printing bureau, this copy will have been so revised by the chiefs of the bureau as to render unnecessary these large unnecessary expenses now incurred, which are not only an expense to government but a still greater expense to the administration of the printing bureau, because until those faults, if I may call them that, are remedied and overcome it is absolutely impossible to maintain an efficient administration of the printing bureau or of the translating staff.

Mr. MacINNIS: As one of the members of the civil service committee to which this bill was referred, after it had received second reading, I think it would be in order for me to say a few words, not because my remarks may have any effect in reducing the opposition to the bill, but because I believe some other hon. members will agree with me in what I am about to say.

First of all I should like to touch upon the statement made on Wednesday by the hon. member for Témiscouata (Mr. Pouliot) when he stated that he had been abused by the chairman of the committee. I do not believe that was a fair statement to make. I had the honour to serve on the same committee in 1932 which differed only in the fact that in the present year the hon. member for Témiscouata sat in place of the hon. member for South Battleford (Mr. Vallance). So far as I am concerned this year the chairman could not have been more fair than he was. I wish to make this statement because I believe that in matters of general principle I agree more with the hon. senior member for Ottawa (Mr. Chevrier) and the hon. member for Témiscouata than I do with the hon. member for West York (Mr. Lawson) who acted as chairman of the committee. I wish to state, however, that I could not wish to sit on a committee headed by a chairman more fair than the hon. member for West York has been.

Part of the report of the committee which sat in 1932 read as follows:

> Item No. 12: To promote economy and efficiency in engineering and mapping services or any other services which can be centralized, your committee recommends to the civil service commission that a careful study be made of such government services with a view to amalgamations thereof.

It appears to me that this bill has been brought down in conformity with the recommendations made by the 1932 committee.

Mr. BOWMAN: Unanimous recommendation.

Mr. MacINNIS: Yes. And I believe that all hon. members should accept a bill such as the one now before them in the spirit in which it is brought before the house. That is, we should not bring in racial or language considerations any more than we should do so if it were a question of amalgamation and coordination of the various engineering services of the government. We would not ask whether an engineer were French speaking or English speaking; all we would require would be that he must be efficient, and we would govern ourselves accordingly. I believe that hon. members on this side of the house who sat on the committee would do well to consider the matter from this point of view.

Mr. BOUCHARD: We do.

Mr. MacINNIS: I am very doubtful. However, I shall accept my hon. friend's statement as one of fact. Since this bill has come

before the house I have talked to quite a number of translators, and I am satisfied that their only objection to the bill is that it may interfere with their tenure of employment or might interfere in some way with the remuneration they now receive or with their position in the government service.

Mr. GAGNON: With their vacations.

Mr. MacINNIS: I do not see that that need necessarily be the case. I have enough faith in the generosity and fairness of the Secretary of State to believe that he will see to it that if after the bureau of translations is put into working form certain translators are not required, some other positions will be found for them without any loss of remuneration or any loss of the considerations attached to their service. I believe that this position, which I have described, can be read from their evidence.

The senior member for Ottawa read some of the evidence given before the committee; I shall proceed to read some more and go a little farther on some of the points he raised. I turn to the evidence of Mr. Gerin, chief of the debates translation branch of the House of Commons. The chairman of the committee asked the following question:

Then, Mr. Gerin, may I take it this way, you are giving me the objections which you see to the establishment of a bureau, and, may I take it that you see three objections or possible objections, one, the interference with the hours and conditions of work now established for the translators; two, possible interference with salaries; and three, possible interference by the new superintendent in the method or means adopted for accomplishing of translations.
A. Yes.

The hon. member for Ottawa did not read the next question, which is as follows—

Mr. DUPRE: Will the hon. member give the page?

Mr. MacINNIS: Page 38. The next question is this:

Would that summarize the situation?
A. Well, I suppose it would, yes. I don't see anything else.

That in my opinion is the crux of the whole matter. Surely that should not be sufficient to hold up a measure which has for its purpose efficiency in the organization of government work. I am in favour of the bill—

Mr. CHEVRIER: It looks like it.

Mr. MacINNIS: —because I am in favour of efficiency and order in the government service. Neither the government nor the country nor, most of all, the employees, have anything to gain from lack of efficiency in any government service. I feel quite satisfied that it would pay the government and the country to pay those people for whom they have not sufficient work to keep away from the service altogether so as not to demoralize others who are working. For these reasons I am in favour of the bill; I trust that we may organize a bureau and that the civil servants now in the translation services will not be hurt in any way by the organization which will take place.

Mr. CHEVRIER: The hon. member who has just taken his seat has expressed some of the sentiments I feel with regard to the civil service. Taken as a whole, it is a competent body. The hon. member has said that this bill will tend to increase efficiency in the translation services. The hon. member, who sat on the committee, has always been fair. I believe I must say that he was one of the most assiduous and impartial members, and I pay him that tribute. I think he must admit, however, that there is not one tittle of evidence in the record to show that this system will by any means conceivable or inconceivable improve the present situation. If the hon. member is fair he must admit that the whole of the evidence is against the contention he has put forward, namely that the bill if put into effect would increase the efficiency of the translation services. Further, there is not a particle of evidence before the committee that the translations to-day are not of the highest standard. There is not one solitary, single complaint in the whole of the evidence to show that the standard of translation from French into English or from English into French—but particularly from French into English—is not of the highest order. There is not one complaint about the translators of the House of Commons. There is not one particular complaint about the translators, whoever they may be, in the other chamber, and I do not think it is fair simply to say that if this bill goes into effect it will increase the efficiency of the service. I say to the hon. gentleman who has just taken his seat, just as I said to the minister the other day, that this is simply a smoke screen, a pure piece of camouflage. So evident is that, that I take it from the lips of the hon. Secretary of State himself when he said that this bill must go through and will go through.

Mr. CAHAN: If the government can put it through. It is a government measure.

Mr. CHEVRIER: Oh yes. It is the most wonderful example of Toryism that this bill shall go through and must go through with the benign complacency of those who sit to your right, Mr. Chairman.

Mr. GOBEIL: Will the hon. gentleman allow me a question?

Mr. CHEVRIER: Certainly.

Mr. GOBEIL: Will you tell the committee what you mean by camouflage. Camouflage for what?

Mr. CHEVRIER: I am not here to give my hon. friend lessons in English. The dictionary is there. If my hon. friend wants a lesson in politics I will be quite ready to give it to him.

Mr. GOBEIL: Substantiate your statement.

Mr. CHEVRIER: The dictionary is there.

Mr. GOBEIL: As usual.

Mr. CHEVRIER: I am not here to teach my hon. friend his letters. I say, Mr. Chairman, that here we have the evidence that this bill must go through. The Secretary of State has said it and he has repeated that the government stands or falls by this bill.

Mr. CAHAN: Efficient administration is impossible without it.

Mr. CHEVRIER: Will the hon. gentleman say how many times since confederation a bill has gone to a committee of this house and has been studied at seven or eight or twelve meetings, and after six out of eight witnesses have testified against the worthiness of the bill, it has come back to the house without any amendment, although amendments have been repeatedly proposed? Will the hon. gentleman say how often that has occurred? It has not occurred in this case even after the pious wishes expressed by outstanding members from the province of Quebec sitting on the other side of the house that this bill might come back from the committee in an unrecognizable form. Yet it has not. And now those same gentlemen sitting behind the minister will complacently and benignly help to put the bill through.

I want to be fair to the minister. He has a knack with his stubbornness and his one-track mind of starting off on what he thinks is the main line and then running off into sidings. Then when he gets to the bumper he gets sort of worried when he gets it right between the eyes. I did not start him off into the siding. But now he realizes, and particularly do those who sit behind him, the position in which this bill places them. Unfortunately the minister is determined that this bill will have to go through. I want to be fair to the hon. gentleman, although he has been far from fair. I do not mean to say he did it intentionally, but sometimes he opens the throttle a little too wide and gives himself a little too much speed and oversteps himself.

Mr. DUPRE: What is not fair is for the hon. member to say that the Secretary of State is not fair. The hon. member knows just as well as anybody else that there is no man more fair than the Secretary of State, and the hon. member should not say anything to the contrary.

Mr. CHEVRIER: What is fair and what is not fair is a matter of appreciation, and it would be well for the hon. Solicitor General, for whom I have a very friendly feeling, that he should mind his own business. The Secretary of State can well look after himself. Let me remind the hon. gentleman that he is not on the pampas now but in the House of Commons. The hon. gentleman says that the first gun speaks the loudest. There are no gay caballeros around this chamber and we are not going to be intimidated by any talk of that kind.

Mr. DUPRE: Oh.

Mr. CHEVRIER: If the Solicitor General wants to say anything, let him stand up and make a speech, but let him not interrupt me like that.

Mr. GOBEIL: Small stuff.

Mr. CHEVRIER: It fits the subject.

Mr. DUPRE: My hon. friend knows that time and again he has interrupted.

Mr. CHEVRIER: The hon. gentleman never opens his mouth except he puts his foot in it.

Mr. DUPRE: The hon. gentleman is indeed very fair.

Mr. CHEVRIER: The Secretary of State has said that the English edition of the Hansard in the Senate runs to 1,115 copies and that the cost is $3,808.59. I think those are the figures he gave, and that the French edition, of which he said there were only eighty-five or a hundred copies, cost $4,915.46. Now when the Secretary of State boasted in the Senate that he was an old printer, he must have known that you can print one hundred copies for a certain price and that when you order five hundred copies you can get it at a relatively lower price, and five

thousand copies at a relatively lower price still. When he compared eighty-five copies with 1,115 copies, he was not fair in that regard. This includes the cost of translation.

Mr. CAHAN: The costs were the total costs and not the relative costs. The statement I made is absolutely correct and cannot be controverted.

Mr. CHEVRIER: The hon. gentleman is wonderful on the comeback but he always starts wrong. He has always something up his sleeve. He never makes a cleancut statement to start with. He has not been fair again when he talks about this thing that happened in the French translation. That is not fair. The hon. gentleman knows that there is nobody who wants to go into that less than I do. I do not want to go into this special and particular case. He knows why he does not want to go into it and why I do not want to go into it, and he is not fair. He is neither fair in his comparison nor fair to the individual.

Mr. BOWMAN: You be fair. Give us the facts. Let us have the facts.

Mr. CHEVRIER: I will accept that. Will the Secretary of State appoint a special committee or someone—not the hon. member for Compton (Mr. Gobeil); he would not understand anything—but I will take the hon. member for South Essex (Mr. Gott) or any other hon. member on the other side of the house except the member for Compton. There is a certain expression in legal phraseology that rhymes somewhat with Compton —non compos mentis.

Mr. CAHAN: I think you should call the hon. member to order, Mr. Chairman.

The CHAIRMAN (Mr. Bury): I cannot hear half the time because so many members are interrupting.

Mr. CAHAN: His suggestion that a member is insane is not quite a proper statement. It is a breach of the privileges of this house.

Mr. CHEVRIER: I would be the last one to do that. I said the name reminded me of something. I did not apply the expression to him.

Mr. GUTHRIE: You implied it very distinctly.

Mr. CHEVRIER: If the Secretary of State in answer to the challenge of the hon. member for Dauphin (Mr. Bowman) will appoint anyone on that side of the house except the hon. member for Compton to investigate—

[Mr. Chevrier.]

Mr. GOBEIL: He would not act on your suggestion anyhow.

Mr. CHEVRIER: Les confitures sont assez bonnes pour vous.

Mr. GOBEIL: Elles sont trop bonnes pour vous.

Mr. CHEVRIER: If the hon. Secretary of State would appoint anyone to investigate this particular piece of translation that happened in the Senate, and it was investigated as the hon. member for Dauphin would do it, I would be perfectly satisfied to let him look into it and place the responsibility where it should be placed, so that we could have an end to these insinuations and innuendoes all over the place. If the hon. member for Dauphin goes into that and places the responsibility for the translation of these French debates I would be satisfied.

Mr. BOWMAN: Unfortunately we do not know to whom the hon. member is referring. If he would tell us what the facts are perhaps we would know more about it.

Mr. CHEVRIER: I will make it plainer. The Secretary of State referred to a certain piece of translation in the Senate debates. The hon. member for Dauphin can read my answer in to-morrow's Hansard and he will then know that I am not misquoting the hon. gentleman. The hon. member will have an opportunity to see that I am not misquoting. Then the hon. member may be appointed but I would be most sorry because any one who has placed upon his shoulders this responsibility may find that the party in question may be some one who in later days has received recognition at the hands of those who sit to the right of the Speaker. I think it was very small potatoes on the part of the Secretary of State to bring up that matter in the way in which he did. That is just why I told him that if he continued in that strain, I would not care where the chips fell. I did not mean that I was going to say anything against the character of the minister but I said that if he wanted to know where the responsibility lay, let him go just one step further.

Mr. CAHAN: Whom is the hon. gentleman charging with being responsible?

Mr. GUTHRIE: What is he driving at?

Mr. CHEVRIER: The minister said something about this order in council. It was discussed in committee as to whether or not it was possible to achieve this thing without this bill. I think it was clearly established

at page 82 of the evidence that it was not absolutely necessary to have a bill of this kind in order to achieve simultaneous translations and to have the reports printed and tabled at the same time. At one point in his evidence before the Senate committee, the minister said:

We could balance the work as between summer and winter if the government and parliament would take certain measures to ensure that all blue book printing, departmental printing and the translation of these public documents were done early after the close of the year on March 31. They all relate to a year that ends on March 31. I can see no reason why nine-tenths of that work, most of which is done in English, could not be prepared by June or July.

What is the use of this bill? The minister goes on:

—but in any event I can see no reason why the returns should not be prepared in most instances early in April and put into typewritten form.

There is no particular reason for this bill. Then he goes on:

If that were done the printing bureau could be kept busily employed during the summer, when it could work efficiently. Under such a plan the bulk of the printing would be done in November or December, and all the blue books would, in compliance with the law, be laid upon the table of the house in the first few days of the session.

Then the Hon. Mr. Griesbach asked:

That seems reasonable. Why has this not been done?

Hon. Mr. Cahan: Well, obviously no one person has the power to have it done. But the government, having control of the various departments, could by order in council direct that the work be done in that way.

Hon. Mr. Murphy: And that of course would entail the cooperation of all the ministers at the head of the various departments?

Hon. Mr. Cahan: Yes, Senator. You know how it is, it necessitates the cooperation of fifteen or sixteen ministers.

Hon. Mr. Murphy: I had to get it on several occasions. It was accomplished but not on the first venture.

The minister loves that word "cooperation." It is a sacred word with him, provided the cooperation is such that everybody cooperates with him. He never endeavours, he will not and does not endeavour to cooperate with anyone in any particular. At that time this was done by order in council. It has been done by order in council and it was shown in the committee that there was no necessity for this infamous bill. Yet the minister says that it must be put through.

I want to refer to just one more subject on this particular section. There is no doubt that the minister has effected reductions in the printing bureau, but I do not think that demonstrates any great wisdom. Any one could reduce costs by putting 158 people on the street. But I know what the minister is going to say. He has said it already four or five different times, and if he said it seven or eight times he would use the same words. He will tell us of what he did between Christmas and New Year's day. He uses that as a sort of flame of charity, he uses it to ask for help or coordination. It is perfectly true that the minister has brought about these reductions, but this is what he said before the committee:

We have, as I shall point out in a moment, reduced the staff very, very materially.

Anybody could do that. Then later on:

We have reduced the staff very, very considerably. Up to the close of the last fiscal year we have reduced the staff by 158.

And then in answer to the Hon. Mr. Sharpe, he said:

—and other notices are outstanding for further reductions.

Then he goes on:

Those reductions included the retirement of a very considerable number of persons.

Then further on:

Taking the period from March 31, 1933, to October 17, 1933, the reduction of staff effected a saving of $118,382. The saving effected by the reduction of working hours was $56,530. In addition, I undertook to lay off employees in the operating department, which effected a saving of $85,477.

I submit that under these conditions it is with very poor grace that the Secretary of State says that all these reductions have been achieved when something like $260,000 or $270,000 of the reduction refers to wages and the reduction in staff of 158.

Mr. POULIOT: The Secretary of State (Mr. Cahan) has told me that he is ready to answer questions, and I have one to put to him. However, before putting this question I should like to make a preliminary reference. On July 6, 1931, a question came up concerning the right of a minister to change an official letter into a confidential letter. Referring to the delay which had occurred in the tabling of certain documents I said:

I have no objection to delay provided no official letters are marked private in the meantime.

The Prime Minister (Mr. Bennett) then answered.

I think the language of my hon. friend might be described, as I heard an hon. gentleman say a moment ago, as an outrage. Notice must be taken of that language at once.

Then the Prime Minister continues after a short dialogue.

Mr. Bennett: That is such a reflection on the honour of members of the government that I must ask Your Honour to direct the hon. gentleman to withdraw it unreservedly.

Mr. Pouliot: Mr. Speaker—

Mr. Speaker: The hon. member would be well advised to withdraw that remark, and I ask him to do so. I did not catch what he said; he was interrupting when I went on to the next order of business and I called him to order. The remark is certainly an insinuation that the Minister of Marine marks letters "private and confidential" when they are asked to be produced, and no such insinuation can be allowed to go unchallenged.

Again:

Mr. Speaker: I would ask the hon. member to withdraw that implication.

Again:

Mr. Speaker: I must ask the hon. member to withdraw the insinuation.

Mr. Pouliot: There is no insinuation in that, Mr. Speaker.

Some hon. Members: Withdraw.

Mr. Speaker: The words were open to that interpretation and to no other. I must insist that the hon. gentleman withdraw the insinuation.

Further:

Mr. Pouliot: I did not make any reflection in regard to the past; I said what I wanted for the future.

Mr. Cahan: Withdraw.

Mr. Pouliot: I do not wish to be disagreeable to any hon. member—

Some hon. Members: Withdraw.

Mr. Pouliot: Is it a crime to mark a letter "personal"—

Mr. Speaker: That is neither here nor there. My request is that the hon. member withdraw the insinuation, that the Minister of Marine marks letters "private and confidential" after they have been asked for by way of a return to the house. It is a most unfair insinuation to make.

Then I withdrew. I had to withdraw twice because I said that I hoped the Minister of Marine would not mark as confidential official letters that he had received.

The CHAIRMAN (Mr. Bury): What has this to do with the bureau for translations?

Mr. POULIOT: I wanted to put the preliminary before my argument.

The CHAIRMAN (Mr. Bury): What bearing has what the hon. member is now saying on the bill to establish a bureau for translations?

Mr. POULIOT: Here we have arrived at full speed at the junction. I have been patient to-day; I might have argued on a point of order. Yesterday the Secretary of State rose to a point of order arguing that I should not quote letters that in accordance with the authorization of the special committee I had seen in the office of the civil service commission. That point of order has not been decided by the chairman.

The CHAIRMAN (Mr. Bury): The point of order was decided; it was decided on Wednesday that the hon. member had no right to refer to those files in this discussion in committee. The hon. member will have to confine himself to clause 3 of the bill.

Mr. POULIOT: Then, Mr. Chairman, will you please tell me at what page of Hansard of Wednesday you gave a ruling on the point of order raised by the Secretary of State?

The CHAIRMAN (Mr. Bury): I gave a ruling on Wednesday that that particular file could not be used in the discussion on this bill.

Mr. POULIOT: No, sir.

The CHAIRMAN (Mr. Bury): I hold I did.

Mr. POULIOT: Then I appeal, sir, to the Speaker, I move, seconded by the senior member for Ottawa (Mr. Chevrier), that the committee rise and report to the Speaker.

The CHAIRMAN (Mr. Bury): The hon. member is forgetting that the chairman is not now ruling on a point of order. He is stating a fact that within his own knowledge took place on Wednesday. The hon. member has no right of appeal from what the chairman has just said. He has a right of appeal from any ruling made by the chairman on a point of order. This is not a ruling on a point of order.

Mr. POULIOT: I maintain that the ruling you gave on Wednesday was on the point of order raised by the hon. member for Winnipeg North Centre (Mr. Woodsworth). Afterwards the Secretary of State raised another point of order which has not yet been decided by the chair. Now I ask you, sir, either to give your ruling on the point of order raised by the Secretary of State or to give me an opportunity to submit the whole matter to the Speaker.

The CHAIRMAN (Mr. Bury): I make a statement of fact that on Wednesday the question of the right of the hon. member to refer to that particular file was discussed in the committee and I made a ruling that it could not be referred to. That is a statement of fact which I make now; I am not going to make another ruling on the same point to-day.

Mr. TURNBULL: May I point out the ruling is reported in Hansard at page 3332, where the chairman said:

The Chairman (Mr. Bury): If the hon. member has dealt with the method by which he came to know the subject matter of the files, I am prepared to give my ruling. It is this: That whatever may be said as to the power or right of the committee to requisition those files, I hold that the mere fact the committee said they had no objection to one of their number seeking to get inspection of the files, does not make those files official records of the committee and does not make the information that he privately got from the files official records of the committee. Therefore I hold that references to the files are out of order.

The CHAIRMAN (Mr. Bury): There was more than that, if I may say so. The senior member for Ottawa (Mr. Chevrier) agreed with the ruling but requested leave himself to restate the point for ruling in a different form from that in which the hon. member for Témiscouata had stated it and I refused to allow him to restate the point of order.

Mr. POULIOT: Therefore, as it is useless, I shall not insist any more on that except to say that this bill is a dream baby.

As I do not wish to be disturbed while making an argument which may last a few minutes—

Mr. CAHAN: Will the hon. member kindly excuse me? I have received a long-distance telephone call.

Mr. POULIOT: Certainly. I shall wait until the hon. gentleman returns, to ask him the question.

Mr. CAHAN: The hon. member will find sufficient to say.

Mr. POULIOT: I wish to make an argument that this bill is most uncalled for. What I desire to state to the committee is in accordance with the exhibits filed in committee and with the evidence given by Mr. Bland of the civil service commission. I wonder, Mr. Chairman, at this point, because I do not wish to be disturbed when I am speaking on that, whether I shall be in order to discuss those matters?

The CHAIRMAN (Mr. Bury): The hon. member may discuss any matter that is relevant to clause 3 of the bill. If he goes into what is irrelevant to clause 3 of the bill, I shall call him to order.

Mr. CHEVRIER: And to the amendment that has been moved?

The CHAIRMAN (Mr. Bury): Yes, and to the amendment.

Mr. POULIOT: There are several lines of arguments that may be taken with regard to this bill but the first point is to see how the translation business is going on at present, how the translation is done. If the members of the committee will look at the back of report No. 5, page 156, they will see a list of 45 units. In some of those there are no official translators. Is that because no translations are made there? No sir. The reason is obvious—I would ask that the Clerk of the House do not disturb the chairman of the committee while I am addressing the committee, he is mumbling loudly and he disturbs me. There are 45 units. What I was saying when I was disturbed by the mumbling of the Clerk of the House is this, that there is a distinction to be made between translators de facto and the people who are called translators in the estimates. In all departments apparently there is some translation done, but some of it is done by people who are not officially called translators. For instance we have the biological board, which comes under the Minister of Marine, with no translators. Apparently the work is done by the translators of the Marine department. The Canadian pension commission, no translators, but the work is done by the translators of the department. For the Canadian radio broadcasting commission there is no report about translations made. That work is probably done by Mr. Maher who is the bilingual commissioner or Mr. Landry, the bilingual secretary of the board. The chief electoral officer is Mr. Castonguay. There is no translator there; the work is done by Mr. Castonguay who is bilingual and his bilingual staff. In the civil service commission Mr. Potvin is bilingual and he must have some bilingual assistants. Extra work is done outside, and the lack of supervision is due to the fact that the translator of the civil service commission was superannuated and has not been replaced. Then the exchequer court is a special case. One of the judges is bilingual and the other is English-speaking, therefore there is no necessity for having an official translator. The work is done by the staff, and the judgments, as you know, Mr. Chairman, because you are a distinguished member of the bar, are printed in the language in which they are given, either French or English. External Affairs, one translator. Farm loan board, no translator. The Department of Finance has no translator except one who is engaged on the railway work; it is curious that a translator who does some work on account of the Department of Railways and Canals does not come under the jurisdiction of my genial friend the hon. Minister of Railways and Canals (Mr. Manion), but of his colleague the Minister of Finance (Mr. Rhodes). This is wrong

and should be remedied. For the government contracts' supervision committee there is no translator. For the Governor General's secretary's office the translation is done by the staff. Department of Insurance, no translator. International joint commission, apparently no translator. Department of Justice, translations in the official languages are made by Mr. Fontaine, one of the officials of the department, an able bilingual gentleman, and the foreign correspondence is done by the Royal Canadian Mounted Police. Library of parliament is like the exchequer court; one of the librarians is bilingual and they have a bilingual staff, therefore there is no necessity of having translators there. In the national research council the work is done by the staff. The pension appeal court work is done by the Department of Pensions, they have no translator. In the Department of Public Printing and Stationery the work is done by the staff. The Solicitor General is bilingual, he has a bilingual staff and does not need a special translator. For the supreme court the situation is the same as that in connection with the library and the exchequer court. Mr. Justice Rinfret and Mr. Justice Cannon are bilingual and they have a bilingual staff, therefore there is no necessity for translators. The tariff board has no translators but the work is done by the Post Office Department.

In those 19 units the work is supposed to be done within the staff, there are no translators. In the other units there are some translators. This gives a general summary of the situation. According to the answers which have been sent by every branch there are no translators in the library of parliament, where there are two librarians, one being bilingual, and no translator in the government contracts supervision committee. There are some self-sustaining departments with regard to translation; by that I mean departments which do not send translation outside. One of them is the archives, where excellent work is being done by two translators. Then in the department of the auditor general, who is also bilingual, they have one translator, and the work is done there. For the superintendent of bankruptcy the work is done by the staff, none sent outside. In the Department of Fisheries they have one translator who does the whole work including the annual report. For the Governor General's secretary's office the work is done by the assistant secretary. Indian Affairs has one translator, they do all the work within the department. The Department of Marine have one translator, they do all the work within the department. For the national research council the work is done by the staff, none sent outside. The Department of National Revenue and customs and excise has three translators, no work sent outside. Public printing translation is done by officers of the department, no work sent outside. The Privy Council have one translator, no work sent outside. Public Works department has three translators, no work sent outside. Soldiers' settlement board work is done by a bilingual member of the staff. Trade and Commerce and bureau of statistics, all work is done in the department, except for a few pages of the blue book last year, but this is an exception. When I asked the Department of the Secretary of State to tell the committee if all the translation was done within the department the answer was, "No information on file respecting translation done by another department and outside the government service." In the patent and copyright office they had also one translator. It means, sir, that in all those branches the work of translation is so organized that all the work is done within the branch.

Let us see which departments have to depend on other departments for the translation of foreign correspondence. From September, 1931, to date the Department of Agriculture sent ninety-two foreign letters to the Department of the Secretary of State. The Department of Labour sent three letters during the same period, though the Secretary of State's department say there were six. From the Department of Mines one hundred and eight pages of text were sent to the Department of the Secretary of State, but there is nothing in the report of that department about it. The Department of National Defence sent seven letters, and they sent ten pages outside to be translated. In 1932 the income tax branch had eighteen forms and forty-two pages translated by government translators, and in 1933 they had twenty-two forms and forty-one pages translated by outside translators. It is wrong for the Department of National Defence and for the income tax branch to send their work outside the service; that work is most confidential, and the translation should be done within the service. Occasionally the pension commission sent foreign matter to the translators of the Department of the Secretary of State and the Post Office Department. In 1932-33 the Department of Pensions and National Health sent one hundred and fifteen foreign letters to the Post Office Department.

Therefore, Mr. Chairman, in addition to what I have already said, we have the departments of agriculture, labour, mines, national defence, pensions and national health and the

income tax branch and pension commission having their translation in both languages done within each of these departments, and only a small amount of foreign work is sent outside the service. As a consequence those units are also self-sustaining. Then, with regard to the Department of External Affairs, in the last two years that department sent twenty-four foreign letters to the Department of the Secretary of State and forty-seven pages to the House of Commons. That is a very small amount. In the Department of the Interior the head translator had to deal with ten thousand items in two years, and he sent two hundred letters and ten articles to the Department of the Secretary of State, though that department gives the amount as fifty-five letters and certificates and four hundred and twelve pages of technical matter. In 1932 that Department sent one hundred and forty-one pages and in 1933 they sent one hundred and thirty-two pages to the blue book branch of House of Commons, in addition to ten or fifteen legal documents to the law branch of the House of Commons. Formerly there were many translators in the Department of the Interior; there was no reason why all should have been dismissed with the exception of only one. In his evidence Mr. Bland said that in this department there would be enough work for two translators, so one man from the blue book branch should be sent to the Department of the Interior to assist the translator already there. That is the first department of all those I have mentioned that is not self-sustaining, and that is so because there are fewer translators engaged in the work. It is very easy to remedy that condition. One must be fair; the translator in that department must be given some assistance.

It seems unfair that some translation work done for the Department of the Interior should be charged to the House of Commons. There is no reason why we should pay for the work done for that department. The estimates of the Department of the Interior show a reduction, but on the other hand there is a proportionate increase in the estimates for the House of Commons. This is absurd; the work should be charged to the department for which the work is done.

Now let us consider the work done by the blue book branch of the House of Commons for the civil service commission. The reports of 1932 and 1933 were translated by that branch. This is wrong. The translator of the civil service commission was superannuated, and the position has not been filled. Mr. Bland told the committee that there would be enough work to give employment to one translator within the civil service commission, translating the official reports and revising the corrections. Why is that not done? Those publications of the civil service commission, advertisements of vacant positions and so on, should be done very carefully. They go all over the country, and they should be well done. It is necessary that they should be revised, and in addition there is no reason why the civil service commission should send its work to the House of Commons. If some money is to be voted for the civil service commission I have no objection, provided that it is charged to the civil service commission and not to the House of Commons. The audit board should see to that, because it is a discrepancy in accounting. The money should be charged to the department for which it is expended, and I take this opportunity of directing the attention of the government to that point.

Then there is the Department of Finance, whose translation work is done in a very stupid way. Some of it is done by the Post Office Department and some by the blue book branch of the House of Commons. There was a Mr. Lorans who was a translator in the Department of Finance; he died, but the position has not been filled. According to the evidence given by the deputy Minister of Finance, in 1932 there were 246 pages and 925 pieces and in 1933, 348 pages and 1,100 pieces, plus forty references of the tariff board, sent from the Department of Finance and the tariff board to the House of Commons and the Post Office Department for translation. This is absurd; the Minister of Finance should have his own translator, and the work of that department should be done by a man who is familiar with that work.

Then let us take the report of the Post Office Department. According to the deputy minister they have translated 1,300 pieces from the Department of Finance and 900 pages from the tariff board per annum during the last two years. Do you see, sir, the absurdity of refusing to replace the dead translator, and sending some of those translations to the department headed by the Postmaster General and other work to the House of Commons? The Minister of Finance should have the guts to have some estimates for translating services in his own department. It would be possible for a translator to look after tariff board translations and translations for the Department of Finance. The superintendent of insurance also is under the jurisdiction of the Minister of Finance. The farm loan board also comes under his jurisdiction. Do hon.

members not think that there would be enough work in these branches I have indicated to employ the services of one translator, and to justify the Minister of Finance bringing forward an estimate for a salary equal to that received by the dead translator who has not been replaced? In that way the work would be done within the department. The work could be done by a translator of the blue book branch who by order in council and according to law could be transferred. Not in 1932, but in 1933 the Department of Immigration sent only ten pages to the blue book branch. Therefore we must conclude that this department is self-sustaining, so far as translation is concerned.

Then there is the board of railway commissioners. In 1931 a report of 131 printed pages was sent to the House of Commons, and in 1932 the house received a report of 72 printed pages from the board. In 1932 the Department of Railways and Canals sent a report of 212 pages to the House of Commons and in 1933 sent a report of 92 pages. While the Minister of Railways formerly had two translators in his department he has now only one.

Mr. MANION: They never translated blue books. They are translators for correspondence, and that sort of thing, but not for blue books.

Mr. POULIOT: Even if they did not translate reports, I say it is a bad practice, because the reports of the Department of Railways and Canals should be translated within his department, as the reports and publications of the Department of Finance and other departments are translated within those departments. I should like to see my hon. friend come to the house with a supplementary estimate providing for the salary of one of the translators in the blue book branch, so that that amount might be charged to his department. I should be glad to vote the amount, and in my opinion it would be more proper to have the translator in his own department than to have a messenger going hither and thither from the west block to the house carrying work to be translated outside the department.

Mr. MANION: May I suggest to the hon. member that if we did that we would have to hire, the year round, a translator to do only one job which would take a matter of two or three weeks, at the most.

Mr. POULIOT: Before that there were two translators who seemed to have enough work to do.

[Mr. Pouliot.]

Mr. MANION: They did not; that is why we let one go.

Mr. POULIOT: There were two translators on the board of railway commissioners and two translators in the Department of Railways and Canals.

Mr. MANION: I have nothing to do with the board of railway commissioners. They are an independent body, and with the exception of putting their report before the house I have nothing to do with them.

Mr. POULIOT: But at the same time, as to a certain extent they come under the jurisdiction of the Minister of Railways—

Mr. MANION: No, not at all.

Mr. POULIOT: Well, even if they do not come under his jurisdiction, I say that the kind of translation done by the board is about the same kind as is done in the Department of Railways and Canals. I think the minister would admit that. In my view it would be normal to have one translator added to the one now operating in the Department of Railways and Canals in order that that department may have two and in order that the translations may be made by persons who have real knowledge of the railway business and are familiar with railway terms. That work could be done much better, much more quickly and with better results. Anyway, I have submitted my request and if as a result the minister brings an estimate before the house indicating compliance with my suggestion, I shall be very glad.

Fifty pages were sent to the House of Commons blue book branch in 1932 by the Department of Trade and Commerce, statistics branch. That is an exception, because as a rule they do their own work. Only an occasional translation is done for them by the blue book branch. In connection with the Department of Justice, in the year 1932-33 three reports of the superintendent of penitentiaries were sent to the House of Commons. Letters in foreign languages from convicts are sent to the Royal Canadian Mounted Police, and are not translated in the east block. Most of these departments, with the exception of the Department of Finance, the Department of Railways and Canals and the board of railway commissioners, are self-sustaining so far as translation services are concerned.

The following units are self-sustaining: Agriculture, Archives, Auditor General, Superintendent of Bankruptcy, Fisheries, Governor General's Secretaries, Indian affairs, Marine, National Research Council, National Reve-

nue, customs and excise, public printing, Privy Council, Public Works, Soldier Settlement Board, Trade and Commerce, Agriculture, Labour, National Defence, Income Tax, pension commissioners, Pensions and National Health, External Affairs, Immigration, statistics branch of the Department of Trade and Commerce, with the exception of the superintendent of penitentiaries, the Department of Justice, etc.

The civil service commission is not self-sufficient. The others which are not self-sustaining are the Department of the Interior, where the number of translators has been too much reduced; the Department of Finance, where the dead translator has not been replaced; the Department of Railways and Canals, and the board of railway commissioners, where the number of translators has been reduced.

The CHAIRMAN (Mr. Bury): The hon. member has spoken forty minutes.

Mr. BOUCHARD: Mr. Chairman, I do not intend to speak at length in this discussion, because I believe I have already stated my views with regard to this bill. To anyone who may express surprise at our opposition may I say, first, that we do not know exactly how the bill would operate. I do not see any ground for such a bill either in Canada or outside of Canada, and I believe the Secretary of State (Mr. Cahan) would have been much wiser had he given us his reasons for introducing the measure.

The CHAIRMAN (Mr. Bury): I might remind the hon. gentleman that that was settled on the second reading. It is now a matter of the contents of clause 3.

Mr. BOUCHARD: I will come to that.

Mr. VENIOT: He has the right to go on.

The CHAIRMAN (Mr. Bury): He has not.

Mr. VENIOT: It was granted on Wednesday.

The CHAIRMAN (Mr. Bury): If the committee granted the right to a general discussion on the short title clause, such concession certainly does not apply to every clause of the bill.

Mr. BOUCHARD: Clause 3 provides that there shall be a bureau under the minister to be called the bureau for translations, and it is to that clause I am speaking. I usually do not abuse my right to speak in this house, and I am surprised, Mr. Chairman, that you interrupted me when I was just making a few preliminary remarks on this bill.

As I was saying, I do not see any ground for the centralization of the translation services. Here in Canada if you will look back over the past, you will not find in the record anything in favour of this measure. Look over the rest of the world, more particularly at the experience in Switzerland and Belgium, and you will find that centralization has not produced the effect in those countries that was expected of it, and now they are returning, more particularly in Switzerland, to the system of decentralization.

This bill seems to have been born in the dark like a mushroom, and to my taste it has not even the flavour of a mushroom. When we ask for reasons the minister gets up and speaks, as he did on two previous occasions, of the printing necessities, as if translation were to be subordinated to printing. That, as we say in French, is "mettre la charrue devant les bœufs,"—to put the cart before the horse; for translation, which after all is a form of writing, and not an easy form, perhaps indeed the most difficult of all, cannot be subordinated to the printing bureau. I do not see why the minister insists upon the necessities of the printing bureau. He went on to give examples. I have always thought a great deal of the fairness of the minister and I was surprised this afternoon when he referred to a very exceptional case where a man who was overworked and had the assistance of some temporary employee without any experience in that particular work turned out to the printing bureau under very difficult conditions a translation which I must admit was not in proper form. But that was very exceptional. It was a case in the Senate, moreover, where we have no jurisdiction, and we have not all the data to deal with it. It does not give us a real picture of the translation services in general, and I am surprised that the minister resorted to that kind of example. When we were pressing him for the author of the translation of the last speech from the throne we were turned down and the minister said that he was shielding someone. I happen to know this man myself. I think very highly of him, and it is not his fault if there were perhaps sixty mistakes in the translation of the speech from the throne. He was perhaps overworked. But it does show one thing; it is an argument against the centralization of translation. How can you expect a man, even a chief translator, to be a master in all kinds of translation? A translator who is working on penitentiary documents will be able to translate such docu-

ments very well, and a translator from the Department of Railways can be expected to translate well a report of the Department of Railways, and so on. But the very fact that this speech from the throne is the worst piece of translation that one can witness does not indicate that the translator himself is a poor translator. On the contrary, it indicates that centralization is very unwholesome. Referring again to the speech from the throne, the minister said that he wished to shield the author of this piece of translation, and in order to confute my hon. friend from Témiscouata and myself, he quoted a letter signed by a pen name. Then in almost the same breath he read another letter, but only in part. Well, Mr. Chairman, when the opposition is asking for information I think we are entitled to get all the information the minister has, and if he had given all the information that was in his possession or had taken the trouble to inform the committee as to the nature and purport of this bill in its working out, perhaps the opposition would not have been so great. But we know nothing whatever about it. We do not know how it will work. We are asked to make the change without being given the facts.

I admit frankly, as I have admitted previously, that a little more coordination is necessary in the different translation offices. So much is that the case that the translators themselves of their own initiative some time ago formed a society called the Technological Institute, where they discuss questions concerning their occupation. That body might be strengthened, or the chief translator in each of the departments might be united in a sort of federation comprising all the departments, with a view to bringing about a further improvement in translation.

But I resent more than anything else the argument which the minister used and the comparison he made between the translation system and an accounting system. The minister who introduced this bill was unable to have a proper translation made in his own department, and any time that he resorted to the gratuitous services of a friend he never came back with the best piece of work, as has been demonstrated. The minister now comes and says that he wants to organize the translators in all departments. We do not know if he intends to bring all these translators into one office where one translator will be doing one job and then a few hours afterwards be asked to do another job. I should like to impress upon this committee the impossibility of any man translating the work of any department unless he is closely related to the activities of that department. New words come up every day and he must be able to follow the technique of the department. In Switzerland instead of looking for mere translators they look for expert scholars and men of great technical ability. These men are part of their department, promotions are open to them and they know just what are the necessities of their department. That is the only way in which there can be good translation. We do not know if there is to be a bureau in which all translators will be coordinated or if there is to be just a bureau comprising them all.

There is another point upon which I should like to touch for a few minutes. It has been a long established tradition that the translators of the Senate and the House of Commons should be segregated and receive special treatment. They are responsible for their work to the Speakers and to the two houses. Does any hon. member who makes a speech feel it is fair that the translation of that speech should be in the hands of the government? Is it fair that the government should take the responsibility of translating my speech? Is it fair that the translation of my speech should be in the hands of my opponents? The translators of the House of Commons live side by side, so to speak, with the members. They know not only the different idioms used but they know the idiosyncrasies of the different members. If I have any complaints to make, I make them to the Speaker, and I take full responsibility for the translation of my own speeches. Otherwise I am in the hands of the government. Many hon. members who spoke gave us some hope that a special branch would be established for the parliamentary translators but now we have this bill without the slightest intimation that this is to be done. We should like the minister to be more precise. We should like him to take into consideration the suggestions made from this side of the house and the recommendations made by his colleagues, such as the Solicitor General (Mr. Dupré), the Minister of Marine (Mr. Duranleau), the hon. member for Dorchester (Mr. Gagnon) and others. If he had listened to those suggestions and amended the bill accordingly, he would not be witnessing the strong but sincere opposition we are making to-day.

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

After Recess

The house met at eight o'clock.

PRIVATE BILL

ANCIENT FORESTERS' MUTUAL LIFE INSURANCE COMPANY

The house in committee on Bill No. 28, to incorporate Ancient Foresters' Mutual Life Insurance Company—Mr. Bell (Hamilton)—Mr. Bury in the chair.

Sections 1 to 11 inclusive agreed to.

On section 12—All assets of fund (e) vested in company, subject to mortgages or liens.

Mr. NEILL: Apparently this company has existed for a long period as a fraternal society. I would like to ask the hon. member in charge of the bill whether any provision is made for taking care of liabilities incurred under its fraternal operations. Has it received the approval of the insurance department and has it gone through the private bills committee?

Mr. STIRLING: I am afraid I cannot answer the hon. member's question in detail other than to say that it was before the banking committee and was passed there without amendment. It has the approval of Mr. Finlayson, superintendent of insurance. The main purpose of the bill is the changing of a fraternal insurance company into a straight line company.

Mr. BENNETT: I made inquiries along the line of those of the hon. gentleman, as to whether the superintendent of insurance had approved, and the bill will stand for third reading until the next sitting so that it may be quite clear that he has. I am informed that he has, as the hon. member has said.

Section agreed to.

Sections 13 to 19 inclusive agreed to.

Bill reported.

BUREAU FOR TRANSLATIONS

The house resumed consideration in committee of Bill No. 4, respecting the bureau for translations—Mr. Cahan—Mr. Bury in the chair.

Mr. POULIOT: Mr. Chairman, shortly before the committee rose, when you told me I had spoken forty minutes I was just outlining the self-sustaining departments in accordance with the reports which have been sent by each deputy to the civil service committee, and before which Mr. Bland of the civil service commission was examined. There is one department which has been left aside, which is self-sustaining in regard to translation, and which does some work for other departments, namely the Post Office Department. It does work for other departments, including the Department of Finance, although it sends some foreign letters to the department of the Secretary of State. Therefore all departments of this government are self-sustaining except the following: In the civil service commission, where a translator and chief examiner have been superannuated and not replaced—in that department there is no one to revise the proofs of the publications or revise the translation after it is made. In the finance department the same thing; there was a translator, Mr. Lorans, who died and has not been replaced, and now part of the work of the Department of Finance and of the boards under the jurisdiction of that ministry is done either by the Post Office Department or the blue book branch. Therefore, sir, the only way to remedy what is wrong in the producing of translations in the Department of Finance is to replace the translator who died. That new translator could do the translation work for the finance department, the farm loan board, the insurance department and also the tariff board. There would be plenty of work for him.

In the Department of the Interior there were six or eight translators before, and there is only one at present. The work he has to do is the work of two good men. According to the report of the acting deputy minister he had to deal in the last two years with ten thousand items. He had so much to do that he had to send some of his work to the Royal Canadian Mounted Police and to the blue book branch. Therefore the Department of the Interior would be self-sustaining with regard to translation if one translator were put with the translator in charge there at present to assist him in his work. If that were done there would be no necessity for a central bureau. The Department of Justice is apparently self-sustaining except for the penitentiary branch which sends its reports to the blue book branch for translation. It seems to me there is enough work in the Department of Justice to employ one translator, who would be in charge of the reports of the superintendent of penitentiaries and so on. In the railway board there were two translators, but one of them is dead so that there is only one left. In the Department of Railways and Canals there were two

before, and there is only one left. So of those four translators there are only two left. Some work in that department is sent to the blue book branch also. Would it not be wise to have another translator in the department who would do the work without its being sent to the blue book branch? That department would then have three translators instead of two, and the whole work of the Department of Railways and Canals and of the railway board, which is the same with regard to translation, would be done satisfactorily under the jurisdiction of the minister.

In the Royal Canadian Mounted Police there is a curious situation, according to the evidence of Mr. Darling, who appeared before the committee. The translator, Mr. Arnoni, has not passed the civil service examination but is kept there because he knows the common language, not the elegant, classical language which is required of the translators, but he speaks the language of the common people, and it has been stated in the evidence that this is what is wanted for the Royal Canadian Mounted Police. They just want the ordinary, common language for the use of that branch. But there is much work which is sent to the Department of the Secretary of State. For instance from September, 1931, to January, 1933, the Royal Canadian Mounted Police sent to the Department of the Secretary of State 23 Danish letters, 45 Dutch, 114 German, 324 Italian, 24 Norwegian, 1 Portugese, 10 Spanish, and 18 Swedish, a total of 559 letters. In the year 1933 they sent 2 Danish, 70 Dutch, 2 Flemish, 235 German, 292 Italian, 34 Norwegian, 27 Swedish, a total of 662. Therefore although there is some foreign translation done in the Royal Canadian Mounted Police it is not a self-sustaining department with regard to foreign translation.

If we consider all the outside units of the service we see that to remedy any complaint, not which has been made but which might be made with regard to translation, the only thing to do would be to transfer one translator from the blue book branch to the civil service commission, one to the finance department, where both translators have not been replaced; one to the Department of the Interior, or to give a chance to the translators of the Department of the Interior who were supposed to have the preference by virtue of an order in council which was passed at the time, and who are now without work, one of them; one to the Justice department, and another one to the Department of Railways and Canals. It means that the whole question might be settled by taking five translators from the blue book branch and sending them to five different departments to fill the vacancies that have been created through the death or superannuation of the translators formerly there, who have not been replaced. This is a very simple suggestion I am offering to the Secretary of State. I know that my remarks this afternoon were very dull; I do not pretend anything to the contrary, but this question must be decided in accordance with facts. There is a relative truth in everything, and my colleague the senior member for Ottawa (Mr. Chevrier) and myself have tried to discover that truth. So I take the liberty of offering this suggestion piping hot to the Secretary of State.

Now there is something else. The only departments that are not self-sustaining are the civil service commission, the Department of Finance and the boards under that department, the Department of the Interior, the Department of Justice with regard to penitentiaries, the board of railway commissioners and the Department of Railways and Canals. That is all. I wonder if the Secretary of State intends to change the entire system of translation because the government has not seen fit to replace translators who have died or been superannuated, in consequence of which some departments have preferred to send their work to the blue book branch here. This seems rather absurd. In addition there are the Royal Canadian Mounted Police and the Department of the Secretary of State. In that department the routine work of translation in French and English is done by the ordinary staff; the only translator in the department apparently is proficient in foreign languages but is not familiar with French. This is why the hon. gentleman had to go outside his department for the translation of the speech from the throne.

In my opinion, Mr. Chairman, it was wrong to have that translation made by anyone on the House of Commons staff; it was a mistake for the Secretary of State to ask the clerk of the house to look after that translation, for this reason: This is a constitutional matter; before the speech from the throne is delivered by His Excellency it is not a parliamentary paper. It is a document which belongs to the government, and which is supposed to be kept secret until it is read by His Excellency. Therefore it was most discourteous to His Excellency to have that speech read by a civil servant of the House of Commons before it was read by His Excellency. I regret that this happened. I know what is coming, from the smile of my hon. friend the Secretary of State—

Mr. CAHAN: No doubt the Secretary of State should be confined to the tower for that.

Mr. POULIOT: The Secretary of State may say it has been done before. I admit that, but previously it was done for $25, because the gentleman who did the work wanted that amount for doing it. This is the kind of petty graft of which I complain. Before the $25 was asked for and paid the speech from the throne was translated by the clerk of the privy council. It is a document that belongs to the privy council, and it might be properly translated by that gentleman, who has a fair knowledge of both languages. That is how it should be done. I do not say this in an offensive way to the genial Secretary of State, but I should like him to observe the old constitutional custom that the government shall keep the speech from the throne secret—I mean within the council —until it is delivered by His Excellency. There has been a good deal of criticism with regard to that faulty translation, for which the hon. gentleman cannot blame any translator of the blue book branch, because that work was delivered to him by the clerk of the House of Commons, who was responsible for it. If there had been even one mistake in that translation it should have been corrected before it was handed out.

There is one other thing which I regret very sincerely. The hon. gentleman is sufficiently familiar with the French language to know that there are even constitutional mistakes in that speech; he knows very well that it is not His Excellency who summons parliament. So I regret very much, as a member of this house, that the government has taken full responsibility for that translation, which is erroneous. I am sure that in his own heart my hon. friend regrets having done so. How can the government come here with a scheme for a bureau of translations when they took responsibility for the seventy-five mistakes that we find in the two pages of the French translation of the speech from the throne? Let us say that to the electors of St. Lawrence-St. George, the electors of Ottawa, the electors of Rivière du Loup or those of any other constituency; one should ask, "How can the government bring in a piece of legislation to preserve the rights of the French language in Canada while they take full responsibility for seventy-five mistakes in the two pages of the French translation of the speech from the throne? Where is the logic in that? It is most extraordinary. I cannot conceive how an eminent lawyer and statesman like the Secretary of State can accept such a responsibility, not only on behalf of himself but also on behalf of his colleagues in the cabinet, both English and French speaking. I am sure the hon. gentleman will reconsider his statement in that connection. Surely the government will drop that responsibility some day, but until it is done may I say how deeply I feel what he has said. There may be a clerical error, or two clerical errors, or three clerical errors, but those errors could be corrected. Who can take the responsibility for an error without being exposed as an ignoramus? The hon. gentleman is not an ignoramus; he is a most learned man. Why is he so stubborn about this matter? Why does he not drop all responsibility? He knows very well that in all the questions I have put with regard to the correspondence which passed previous to the drafting of the bill I have been as courteous and as respectful as one could be. He knows that, and he cannot deny it. I need not go over those facts; I need only say that I have too much esteem and respect for him to do anything which would not be proper in the circumstances. I have been just as fair as anyone could be, and there are things I would never have done if the hon. gentleman had not said to me, "I have no objection, personally, to your doing this." He knows that.

I am through with this part of the discussion. I should now like to show to the minister that the trouble with the translation business comes from the fact that the translators who have died or who have been superannuated have not been replaced, and that this has happened in only a small number of departments. For that reason it would be very easy to mend those stockings—yes, very easy. I turn now to a body like the Senate, an independent body—a body so independent of the House of Commons that only yesterday Mr. Chairman refused to let me read a statement which the Secretary of State had made before hon. senators. It is a body entirely separate and distinct from the House of Commons, and it has its translation of Senate debates made in the House of Commons by the parliamentary translating staff who are paid by the House of Commons. Where are we going? We have seen the near amalgamation of railways, the centralization of banks, the centralization of translators, the centralization of farming—everything in this country will be centralized. Why? There is no reason for it. Things worked well before; the Secretary of State had no complaint about the way translations were made. When we were discussing this point before the committee and I was asking some questions about the qualifications of certain witnesses, the chairman told

me that we were not to study the quality of translations but that we were to consider only their production.

I come now to the famous order in council to which reference has been made by the hon. member for Gloucester (Mr. Veniot) and by the senior member for Ottawa (Mr. Chevrier). If I am wrong the minister will correct me when I state that the purpose of the order in council is to have the work ready on the first of July, three months after the expiration of the fiscal year, and to have all translations sent to the printing bureau right away. This is the text of this recent order in council.

Therefore His Excellency the Governor General in Council on the recommendation of the Secretary of State is pleased to order and it is hereby ordered that it shall be the express duty of the deputy heads of all departments of government to insist that a printer's copy of all departmental reports, complete in revised typewritten form in either the English or the French language shall be delivered to the king's printer on or before July 1, and in each and every year.

And that if this order is not complied with in respect of any annual departmental report the deputy head of that department shall communicate in writing to the Secretary of State for Canada the reasons for such delay and its probable extent so that the work of the printing bureau may be adjusted accordingly.

The king's printer came before the committee, and what figures did he give in connection with these annual reports? I have before me a statement under the heading, "Department of Public Printing and Stationery" and the subheading, "Summary by months of number of pages of copy received at the printing bureau for printed reports indicated in 'List of reports and returns to be made to House of Commons' during the fiscal year ending March 31, 1934." In the month of February, during the session, the information before me shows that 103 pages in English were received. In March there were 75 pages in French. In April there were 30 pages in French, and 1,000 pages bilingual. In May there were 85 pages in English, 700 bilingual, making a total of 785 pages. This was during the session, at a time when the debates of the Senate and the House of Commons and when all papers of the house were published. Then afterwards, in June, there were 440 pages in English, and 835 bilingual, making a total of 1,275. In July—here it comes, during the summer; the printing is much higher—in July there are 1,310 pages of English, 140 of French, 865 bilingual making a total of 2,315 pages. Then the following months are indicated as follows:

	English	French	Bilingual	Total
1933—				
August	597	546	1,454	2,597
September	309	343	1,130	1,782
October	460	13	1,156	1,629
November	1,095	659	875	2,629
December	...	1,381	20	1,401
1934—				
January	308	790	250	1,348

That is not so bad—and these are only the annual reports of the departments. These figures indicate that after the session there were the following pages printed: In June, 1,275; in July, 2,315; in August, 2,597; in September, 1,782; in October, 1,629; in November, 2,629; in December, 1,401, and in January of 1934, 1,348. If all the work is delivered on or before July 1, there will be no work afterwards for the printers.

Mr. CAHAN: The hon. member is in error in one respect. A great deal of that was for departmental reports for the year previous.

Mr. POULIOT: I wonder if the Secretary of State has read the evidence of the king's printer. I am sure he has not read Mr. Patenaude's evidence before the committee.

Mr. CAHAN: I have seen the returns for four years, and I am more familiar with the matter than is Mr. Patenaude himself, who was appointed only last October.

[Mr. Pouliot.]

Mr. POULIOT: Well, that is pretty hard on the king's printer, because he was in the printing bureau when the hon. member was practising law in Montreal.

Mr. CAHAN: The king's printer was in the printing bureau, but in an entirely different capacity, namely that of controller of purchases.

Mr. POULIOT: I do not wish to be unpleasant to my hon. friend the Secretary of State, and what he now says I receive in a very cool way. I must say, however, that I am more impressed by his intelligence than by his learning in printing. I think his intelligence is much greater than his knowledge of printing. I do not say that to offend him. It is simply my sincere belief.

There might have been delays in the delivery of translations, but it is very easy to have that remedied. I think the hon. gentleman is fair enough to concede—I am sure

he will—that the departments in which there is the least trouble about translation are as a rule the departments in which the high officials, the deputy or his assistant, are bilingual; that in those departments the work of translation is much better and much more quickly done than in departments where the high officials are unfamiliar with both languages. That was frankly admitted by Mr. Bland in his evidence. If the hon. gentleman will read the evidence he will see that Mr. Bland time and time again admitted that in the departments where the high officials are bilingual there is no trouble about translation, and if there is any delay in the delivery of reports it comes from the fact also of the centralization of annual reports in the blue book branch. That is a great mistake.

Now I offer another suggestion to the Secretary of State.

Mr. CAHAN: Does it have reference to this bill?

Mr. POULIOT: The first one had reference to this bill, I think. If the hon. gentleman does not appreciate the work that my friend from Ottawa and myself have done it might be just as well to stop the argument right away and leave him with the whole responsibility, if he is going to adopt the attitude that was taken the other day by my hon. friend from Winnipeg North Centre (Mr. Woodsworth) who said that he did not want any reply. I hope the Secretary of State does not assume that he is infallible. If he does, it is a great mistake. When a great man admits that he can be mistaken he is all the greater for that.

Mr. CAHAN: I am anxious to see the hon. gentleman improve in stature immediately by admitting that on his own behalf. I have seen no evidence of any suggestion that his judgment was fallible.

Mr. POULIOT: Well, Mr. Chairman, I wonder if I have to start again what I have been saying since a quarter past eight o'clock. My hon. friend has received some suggestions. They may be worthy or unworthy. I do not pretend to be infallible but I have offered the suggestion that some of the translators be transferred from the bluebook branch to departments where translators have not been replaced. That is one suggestion that I believe was quite pertinent, and I have offered it to the hon. gentleman with great pleasure.

There is another suggestion that I wish to make. Why does he not amend the printing bureau act by placing one man under the jurisdiction of the king's printer, whose duty it shall be to see that the reports, not only annual reports but the whole translation business, is divided up and delivered at such times that the printing bureau can work all the time?

Mr. CAHAN: That is just what we are taking authority to do by this bill.

Mr. POULIOT: No, no. The aim of this bill is to synchronize the translations, which is absurd; it cannot work. But what is necessary is to give assistance to the king's printer who has charge of the printing for all the departments. Instead of passing an order in council like the one to which reference has been made, why does not the Secretary of State amend the printing bureau act in order that the king's printer shall have an assistant who will regulate the delivery of translations? That could very easily be done.

Mr. CAHAN: Under the Public Printing and Stationery Act the king's printer can have all the assistance he requires. There is no difficulty; he has all the assistance he requires.

Mr. POULIOT: Then what is the necessity for this bill?

Mr. CAHAN: To provide for the translation. He is not a translator.

Mr. POULIOT: Is it to improve the quality of translation?

Mr. CAHAN: That is possibly one phase of it, but only one phase.

Mr. POULIOT: Leaving that aside for the moment, I will ask the hon. gentleman one question. Is not the only purpose of this bill the regulating of the delivery of translations?

Mr. CAHAN: Not only in regard to the regulation of delivery but the improvement of the translation services generally, putting them under a responsible minister of the crown whose duty will be to answer to the government and to parliament in respect of those services. At the present time there is no control over a large body of these translators.

Mr. POULIOT: Will the translators stay where they are now or will they all be put together in one bureau?

Mr. CAHAN: They may be members of one bureau, and yet different members may occupy different rooms in this building or

some other building where some of them may be located. At the present time, the treasury department has what you might call an accounting branch of that department but its employees are not only to be found in one building but in several buildings.

Mr. POULIOT: There is a great difference between accounting and translating.

Mr. CAHAN: The hon. gentleman has said that they are different sciences.

Mr. POULIOT: I have not said it yet.

Mr. CAHAN: Oh yes, I have heard it several times. I heard it four or five times when we were discussing the second reading.

Mr. POULIOT: I did not speak on the second reading.

The CHAIRMAN (Mr. Bury): The hon. member has spoken forty minutes.

Mr. BOUCHARD: As this bill is liable to change the status of the parliamentary translators, will the minister see that the same guarantees are made as were given previously under section 62 of the Civil Service Act?

Mr. CAHAN: What is that section?

Mr. BOUCHARD: It reads:

> Nothing in this act shall be held to curtail the privileges enjoyed by the officers, clerks and employees of the Senate, House of Commons or Library of Parliament with respect to rank and precedent, attendance, office hours, or leave of absence, or with respect to engaging in such employment during parliamentary recess as may entitle them to receive extra salary or remuneration.

I have in my hand a list of the civil servants who enjoy parliamentary privileges. In the Senate there is the committee and the general branch, as well as the debates. In the House of Commons we have the law branch, the journals branch, the parliamentary papers branch, the private legislation branch, the debates branch, the members' stenographers branch and so on. I shall not read all the list but I ask the minister if the translators are to be the only ones to be deprived of the privileges which have been enjoyed so far? Are other branches, such as the debates reporters and so on, to be left with these privileges?

Mr. CAHAN: The employees now employed in the translation service will come under the Civil Service Act and be amenable to that act throughout the year, subject to such holidays as may be recommended by the civil service commission in view of any special or onerous services which they may have to render while parliament is in session. The other branches are not the subject matter of this bill but in order to bring about the effective performance of services by the branches referred to by the hon. gentleman some provision may be made with regard to them. This bill deals with translators and I cannot promise what other changes may be suggested by the government at some future date.

Mr. POULIOT: Mr. Chairman, can the exhibits which were filed with the committee be read in this debate?

The CHAIRMAN (Mr. Bury): Nothing can be read that is not relevant.

Mr. POULIOT: I mean the exhibits which were tabled in the civil service committee when this bill was before it, referring particularly to those filed by the king's printer?

The CHAIRMAN (Mr. Bury): Nothing can be read that is not relevant to clause 3.

Mr. POULIOT: The exhibits must have been relevant.

The CHAIRMAN (Mr. Bury): Not necessarily. Some may be relevant to one clause, some to another and some to no clause.

Mr. POULIOT: This is in connection with the bureau of translations. I just want to read the following letter:

Auditor General
Ottawa, October 2, 1930.

Dear Sir:

Salary Increase to Mr. Sherwood,
Chief Accountant

I am in receipt of your letter of the 29th ult. in which you state in reference to my letter of the 26th ult. regarding increase of Mr. Sherwood's salary as Chief Accountant, House of Commons, to $4,000 approved by the Internal Economy Commission, that the decisions of the Commission are not subjects of reference to the Treasury Board.

Obviously you have misinterpreted the last paragraph of my letter of September 26th last respecting a reference to the Treasury Board.

I had no intention of conveying to you that I would be obliged to refer the decision of the Board of Internal Economy in the case of the salary increase to Mr. Sherwood to the Treasury Board.

The reference to the Treasury Board which I mentioned was, as I pointed out, to be made under Section 41 of Sub-section 2 of the Consolidated Revenue and Audit Act in which the Auditor General is directed to report to the Treasury Board any case in which a sub-accountant has expended money out of the proceeds of any accountable credit beyond the amount for which there is legislative authority.

The payment to Mr. Sherwood of a salary at the rate of $4,000 a year comes within this statutory direction, as the only legislative authority governing Mr. Sherwood's salary, that I am aware of, is contained in a recommendation of the Civil Service Commission approved by resolution of the House of Commons May 11, 1928, in which the Compensation rate is given as $2,700, $2,820, $2,940, $3,060 and $3,120.

I presume you will not contend that the Internal Economy Commission has power to override a salary rate so established even in anticipation of a probable revision by the House of Commons favouring the action of the Commission.

I do not conceive it my duty to question the "rights, privileges and immunities of Parliament" and there was no intention or desire to do so in my letter of the 26th ult., but when a clear case of the violation of Section 41 of the Consolidated Revenue and Audit Act comes before me I regard it my duty to observe the direction therein provided.

Yours truly,
(Sgd.) Geo. Gonthier,
Auditor General.

A. Beauchesne, Esq.,
Clerk of the House of Commons,
Ottawa.

And the answer is as follows:

House of Commons
Ottawa, October 4, 1930.

Dear Sir:

In reply to your letter of the 2nd instant, I beg to say that subsection 2, section 41 of the Consolidated Revenue and Audit Act does not apply to payments made by the House of Commons. With the exception of section 35, as I pointed out in my letter of the 29th ultimo, no part of that statute has the remotest application to moneys voted for the expenses of parliament.

We would be quite justified in not allowing you to audit our accounts. The resolution giving you that authority was sessional and not permanent, and it lapsed at prorogation. You are now "permitted" by our Commissioners of Internal Economy to make this audit, but you certainly exceed your rights when you claim that you can report our payments to the Treasury Board which has no jurisdiction over the expenses of parliament.

Your action in following such a course after you have been notified—

The CHAIRMAN (Mr. Bury): Might I ask the hon. member from what he is reading?

Mr. POULIOT: From a letter which was tabled in the committee by the king's printer.

The CHAIRMAN (Mr. Bury): Dealing with what?

Mr. POULIOT: Dealing with the rights of the House of Commons with regard to the treasury board.

The CHAIRMAN (Mr. Bury): That is not relevant to section 3.

Mr. POULIOT: It is one of the exhibits. Can we not read the exhibits filed by the king's printer? The exhibits filed looked like a haystack.

The CHAIRMAN (Mr. Bury): All that can be read is something that is relevant to clause 3 of this bill. Otherwise the hon. member could read every exhibit and every piece of evidence that was given.

Mr. POULIOT: I am not going to do that because it would be most boring to you and to the committee. I have only seven more lines to read and then I will be through. I shall not read any more exhibits which were filed by the king's printer. The letter continues:

Your action in following such a course after you have been notified that the Commissioners of Internal Economy have passed on a certain matter is tantamount to denying their authority and placing them under the authority of the Treasury Board, and you are thereby questioning the rights, privileges and immunities of parliament.

Yours truly,
(Sgd.) Arthur Beauchesne,
Clerk of the House of Commons.

Geo. Gonthier, Esq.,
Auditor General,
Ottawa, Ontario.

I shall now give the story of this exhibit. It is not mine; it belongs to the committee and I will give it back to the committee. I am sorry the acting chairman is not here this evening. The photostat copies which were filed looked like a haystack; I thought it was August and that a farmer was coming in with a load of hay. When I saw this one I was a little curious and I started to peel the banana. Underneath these two letters—I have read the last one—I found this one which passed between Mr. Georges Gonthier and Mr. Beauchesne. These letters are marked in white.

The CHAIRMAN (Mr. Bury): Will the hon. member keep to clause 3 of the bill? He is quite out of order.

Mr. POULIOT: I am not and I shall explain why. There was a waste of money and this is what we complain of. Even in the exhibits which have been filed by the committee we find an extravagant waste of money in typesetting done for nothing because afterwards—

Mr. CAHAN: Let me call attention to the fact that apparently those so-called exhibits, so far as I can see from this side of the house, were exhibits of bad translation and of corrections made in the galley proofs of those exhibits, the contents of which have no reference whatever to this or any other matter before the committee.

Mr. POULIOT: I do not insist on that; I am through with it, but I wanted just to show that even the pure can make mistakes.

The CHAIRMAN (Mr. Bury): The hon. member does not need to discuss that under clause 3 of the bill.

Mr. POULIOT: I am not insisting.

Mr. GAGNON: I rise to a point of order. The hon. gentleman ought not to have read those letters because they do not deal with the subject matter under discussion. Moreover, the hon. gentleman has read a letter supposed to be written by the clerk of the house. I do not know the hon. gentleman's purpose, but surely he has attempted to cast a reflection on the clerk of the house, a gentleman who ought by all means to be kept out of the debate. If, sir, you had understood the French language, what the hon. member read in French, you would have ruled the letter out of order, and I humbly ask you so to rule.

Mr. POULIOT: What can be done about the past? It is done; we cannot change it. I did not do this, sir, to play a trick on you; I wanted only to show the committee what kind of exhibits we had and why there is a waste of money at the printing bureau; that is all.

The CHAIRMAN (Mr. Bury): I must ask the hon. member to confine himself exclusively to clause 3.

Mr. CAHAN: As the hon. member for Dorchester (Mr. Gagnon) has said, this quotation which the hon. gentleman has made from the contents of documents which have no relation to the printing bureau and no relation to any subject under discussion should be struck out of the report of this debate. It is becoming intolerable that hour by hour this irrelevant discussion should be proceeding at a cost of more than a thousand dollars an hour.

Mr. GUTHRIE: It costs $1,500 an hour to run this house of assembly.

Mr. STEWART (Lethbridge): We know it is costing that much and only nine members of the official opposition are in the chamber at the present time.

Mr. POULIOT: I say this once and for all to the Secretary of State: I am ready to discuss matters with him but I shall stand for no lectures from him. Moreover, the cat came out of the bag when the hon. member for Dorchester spoke.

The CHAIRMAN (Mr. Bury): If the hon. member is going to speak further, will he confine himself to clause 3 of the bill, or I must ask him to take his seat.

Mr. POULIOT: I was saying just a moment ago that the House of Commons and the Senate are two independent bodies. You will admit that, Mr. Chairman.

The CHAIRMAN (Mr. Bury): That has nothing to do with clause 3 of the bill.

Mr. POULIOT: Yes it has and I will tell you why. It has because downstairs we are doing the work of the Senate in regard to translation. I think it has something to do with the bill. It means that someone, I do not know who, has taken the responsibility of putting the bill into force before it is passed. As a member of parliament who has made some study of parliamentary rights and British customs I complain about the infringement on the old traditions; they are completely disregarded.

Mr. DUPRE: Will the hon. member permit me a remark? The hon. member for Gloucester (Mr. Veniot) said this afternoon, I think, that this order in council could have been passed without any bill at all; therefore there is no infringement.

Mr. POULIOT: I did not say that. I wish to correct the hon. gentleman. I did not say that the order in council could have been passed without this bill. I said that if the order in council has been passed when it should have been passed there would have been no necessity for this bill.

Some hon. MEMBERS: Carried.

Mr. POULIOT: If one more member says "carried", the discussion will last until Monday or Tuesday.

Some hon. MEMBERS: Carried.

Mr. POULIOT: That is all right.

Mr. QUINN: At $25 a minute.

Mr. POULIOT: It is not a question of that; it is a question of knowing whether we are to change the whole translation business to give the clerk of the house more superannuation than he otherwise would have, a higher salary than he is now receiving. Is it

not true that the whole thing has been started by Arthur Beauchesne, the clerk of the house, and that he has made the memorandum on which the bill is based in order that he may have a higher salary?

Mr. CAHAN: I utterly deny that statement, and the clerk of the house should be protected here instead of being criticized ungenerously and in a discourteous way. He did not originate this bill.

Mr. POULIOT: Did he not draft a memorandum on which this bill is based and was he not the first to write to the government in February of last year to ask it to investigate the matter?

The CHAIRMAN (Mr. Bury): The hon. member cannot raise that point on this clause. The principle of the bill was adopted by the house on the second reading. These are all matters that have to do with the principle of the bill and while the hon. member may feel very strongly against the principle, it is now beyond his power to attack it.

Mr. POULIOT: But we might come to an agreement. If the Secretary of State refuses to pay attention to what I have said so far, may I appeal to him as a lawyer of high standing? It may take me twenty-five minutes, and afterwards I shall have very little to say on the bill. I would like to point out to him some of the statutes concerning the various departments and their constitution. I took the trouble to go through them and if he agrees to give me a last opportunity to appeal to his legal sense and constitutional knowledge, the committee will afterwards have a chance to vote on the amendment.

Mr. CAHAN: I suppose I cannot object if the hon. gentleman wishes to read the revised statutes, but it would perhaps be more interesting to us if he would read the bible or some romance. To read the revised statutes relating to the constitution of some eighteen or twenty departments is altogether irrelevant to the question before the committee.

Mr. POULIOT: I maintain, sir, that it is relevant, and I wish to inform the hon. gentleman, even if he refuses to be informed, that in virtue of our laws the only authority in the department is the minister, and the one who comes after him and who has delegated authority by this house is his deputy or the assistant deputy. But they both come under the jurisdiction of the minister, as the hon. gentleman should know.

Mr. CAHAN: I am not quite as ignorant of the revised statutes as the hon. gentleman would imply.

Mr. POULIOT: I am sure the minister has known them, but he must have forgotten something since he has sponsored this bill. In each department the minister is the head; he has authority in his department and is responsible to the House of Commons. There can be no dual authority; that is absurd, and the hon. gentleman knows it. When we asked Mr. Bland in committee: Suppose translator A is in such a department; the deputy minister of that department rings for him, and at the same time the superintendent of translation rings for him, whom shall he obey? "It is a very embarrassing dilemma." That was his answer; he could not answer that dilemma any more than the hon. gentleman can answer the dilemma I put to him Wednesday with regard to Mr. Potvin of the civil service commission. There will be that conflict of authority in every department if this translation bureau comes into existence.

The CHAIRMAN (Mr. Bury): I call the hon. member's attention again to the fact that the principle of the bureau of translation has been established by the house, and that he must confine himself to the particulars of clause 3; otherwise I shall have to fall back on standing order 40, section 2, which gives the chairman of the committee power to tell him to take his seat.

Mr. POULIOT: I am sorry I have not my hat here, because I would take my hat too.

The CHAIRMAN (Mr. Bury): There is an amendment proposed by Mr. Chevrier:

That clause 3 be amended by striking out after the word "service" in line 18 the words "and both houses of the parliament of Canada." And further, by striking out in line 24 the words "debates, bills, acts, proceedings."

Mr. CAHAN: We cannot accept that amendment.

Amendment negatived on division.

Mr. CHEVRIER: Before the section carries as it stands I want to move another amendment. May I say to the committee that although I have a certain number of amendments it is far from my intention to speak at length on each of them, as apparently they will be defeated as quickly as I can move them. I shall, therefore, make no long speech in presenting them. But may I say in answer to the hon. gentleman who interrupted a moment ago that if on this side of the house there are but nine members

of the official opposition and some thirty-three on the other side, on this side it is not quantity but quality.

Mr. DUPRE: How modest: First prize for modesty.

Mr. CHEVRIER: Therefore it takes only nine of us to look after thirty-three on the government side. I move now:

That the following be added as subclause 3 to clause 3:
All departmental reports and other documents or statements which it is the duty of any officer or department of the government to lay on the table of the House of Commons shall be issued and printed in the two official languages of the dominion and shall be deposited simultaneously.

The amendment speaks for itself.

Mr. CAHAN: That adds nothing to the bill. It deals with the publication of departmental reports, not with the question of a translation bureau. We have by order in council provided that these reports shall be prepared, and now we are only waiting to have a bureau created which will see to the translation of them, and be responsible not only for the translation but for the printing.

Mr. POULIOT: Before the question is put—

Mr. BOWMAN: On a point of order, surely the proposed amendment is not an amendment to the clause before the committee.

The CHAIRMAN (Mr. Bury): It is not an amendment; it is a proposal to add a new subclause, which in my opinion has nothing to do with the bill. The bill is for the setting up of translation machinery, whereas the subclause purports to enact a regulation which will be binding on the department as to the form in which its reports are to be issued. I hold that the amendment is not a proper part of the bill.

Mr. VENIOT: That makes no difference; as long as it is offered I think it is your duty to submit it.

Mr. BOWMAN: Speaking to the question before the committee I submit that the amendment is not in order because it has nothing to do with the bill.

Mr. VENIOT: That makes no difference.

Mr. BOWMAN: I ask the chairman to rule it out of order.

Mr. CHEVRIER: May we hear from some of the Quebec members on this subject?

[Mr. Chevrier.]

The CHAIRMAN (Mr. Bury): It has been called to my attention that there is a rule that no new clause can be added to a bill until the whole bill has been passed by the committee.

Mr. CHEVRIER: This is not a new clause, it is a subclause.

Mr. BOWMAN: Once more, Mr. Chairman—

Mr. CHEVRIER: I know where the shoe pinches; I can see the opposition.

Mr. BOWMAN: That is the exact purpose of the introduction of the amendment. I submit that the amendment has nothing to do with the bill or the principle of the bill; it is an entirely extraneous matter, and I therefore ask that it be ruled out of order.

Mr. VENIOT: What is the number of the regulation on which you are going to rule?

The CHAIRMAN (Mr. Bury): It is rule 778 found on page 223 of Beauchesne:

In the commons all the clauses of the bill are considered before any new clauses are brought up and added to the bill.

Mr. CHEVRIER: But this is not a new clause; it is a subclause.

Mr. VENIOT: Read on.

The CHAIRMAN (Mr. Bury):

But this practice is not rigorously followed and the committee is generally guided by what is most convenient in each particular case.

Mr. POULIOT: Who is the author who says that?

Some hon. MEMBERS: Order.

Mr. POULIOT: Speaking to a point of order, the only book that should be referred to is the standing orders of the House of Commons. In that book by Beauchesne there are quotations from May and English authors which are absolutely irrelevant. I hear a mumbling now; it disturbs me, when I am addressing the chair, to have the clerk of the house mumbling to the chairman. What I have to say is very simple. Beauchesne's book is very deceiving; he quotes English authors as well as Bourinot, and he gives too much importance to May even when May comes in conflict with the regulations of this house. Very often I have noticed that the information given by the clerk of the house is absolutely erroneous.

Some hon. MEMBERS: Order.

Mr. POULIOT: Is he a saint? Am I committing blasphemy?

Mr. CAHAN: I wish to direct your attention, Mr. Chairman, to rule 781, which states:

An amendment must be relevant both to the subject matter of the bill and the clause to which it relates.

Further it states:

—it must not be beyond the scope of the bill—

I suggest that this amendment is clearly out of order under that rule.

Mr. POULIOT: This is not a rule of the house. I know how it is done, with scissors, pepper and glue; that book is only a compendium of clippings. The book itself is out of order.

The CHAIRMAN (Mr. Bury): If the hon. gentleman will allow me—

Mr. POULIOT: And the author of it is a perfect—

The CHAIRMAN (Mr. Bury): Paragraph 778, which I read, is from May—

Mr. POULIOT: That is exactly the point.

The CHAIRMAN (Mr. Bury): Will the hon. gentleman restrain himself and keep order?

Mr. POULIOT: You confirm what I say; it is May, not a Canadian authority or a regulation of the house.

Mr. GUTHRIE: When the chairman is delivering his judgment on a point of order hon. members should keep quiet.

The CHAIRMAN (Mr. Bury): My ruling is that the subclause is not relevant to section 3 or to the bill, which deals with a bureau of translations. Shall section 3 carry?

Some hon. MEMBERS: Carried.

Some hon. MEMBERS: On division.

Mr. CHEVRIER: This is quantity against quality.

Section agreed to on division.

On section 4—officers and employees may be transferred.

Mr. CHEVRIER: I want to move—

Some hon. MEMBERS: This is quality.

Mr. CHEVRIER: I am trying to be as nice as possible. I may be uncouth in my own way, but I can match anyone on the other side if they give me the start. I am a poor starter but a mighty good follower. I now move that section 4 be amended by striking out, immediately after the word "service" in the third line, the words "including all employees of the Senate and House of Commons of Canada"; and further by striking out immediately after the word "documents" in the sixth line the words "debates, bills, acts, proceedings"; and further, by striking out immediately after the word "correspondence" in the seventh line thereof the words "including the translation into either the English or French language of the debates and proceedings of the Senate and House of Commons." I do this in a last, evidently futile, endeavour to save the remnants that it may be possible to save in this bill of the rights and prerogatives of the House of Commons and the Senate.

Mr. CAHAN: These amendments are exactly similar in terms to the amendment just rejected by the committee, if I followed the hon. gentleman correctly. Therefore I would simply say that it is the same motion over again and cannot be accepted.

Mr. CHEVRIER: Let the chairman rule.

The CHAIRMAN (Mr. Bury): That was my impression when I heard the amendment, that it was simply a repetition of the amendment proposed to section 3, which was rejected.

Mr. CHEVRIER: I do this because I am in the court of appeal at the present time; I expect that this bill will go to the high tribunal, and I am laying a foundation for a better judgment.

Amendment negatived on division.

Mr. CHEVRIER: Before the section carries I now move, seconded by the hon. member for Témiscouata (Mr. Pouliot) that section 4 be amended by adding at the end of subsection 1 thereof the following:

But nothing in this act shall be held to affect the present status of the translators of debates, acts, bills or proceedings of the Senate or the House of Commons.

Mr. CAHAN: We cannot accept this amendment, because the object of the bill would be entirely defeated if the amendment were accepted by the committee.

The CHAIRMAN (Mr. Bury): In my opinion the fact that the committee has rejected the first amendment—

Some hon. MEMBERS: Vote on it.

Amendment negatived on division.

Mr. CHEVRIER: I have a further amendment to offer to section 4. This is a matter of legislation—

Some hon. MEMBERS: Go ahead.

Mr. CHEVRIER: If hon. gentlemen will only listen I think we will get along much faster. Do not let anyone on the other side try to put sand under my sleigh or chains on my wheels, because that will not work. I am not one of those who can be intimidated. I now move that section 4 be further amended, because evidently this has been left in the hands of some expert draftsman who knows all about the various laws and statutes that this bill will prejudicially affect. I move, seconded by the hon. member for Témiscouata, that section 4 be further amended by adding immediately after the last word in subsection 2 thereof the following:

Subject, however, to the provisions of section 50, the Civil Service Act, 1918, and also subject to section 21, the House of Commons Act, chapter 145, R.S.C., 1927, and to section 2 (c) of the Superannuation Act, 1924.

For the enlightenment of those who know nothing about this but who are prepared blindly to vote down the amendment I should like to explain the matter. The Civil Service Act clearly states that no employee shall be transferred from a position in one department or portion of the civil service to a position in another department or portion of the civil service, except upon the request of the respective deputy heads. Section 4 of this bill says that from time to time the minister may designate translators and have them transferred from one branch of the service to another.

Mr. GAGNON: What section is that?

Mr. CHEVRIER: Section 50 of the Civil Service Act, which is chapter 12 of the statutes of 1918. This section of this bill is also in contravention of section 21 of the House of Commons Act, chapter 145 of the revised statutes of 1927. Section 21 provides:

If any complaint or representation is at any time made to the Speaker for the time being of the misconduct or unfitness—

I point out to the committee that if the superintendent of translations is to be the man in charge of translations, in the last analysis he will be the one who will pass upon the fitness or unfitness of any clerk, and a translator is a clerk.

—of any clerk, officer, messenger or other person attendant on the House of Commons, the Speaker may cause an inquiry to be made into the conduct or fitness of such person.

2. If thereupon it appears to the Speaker that such person—

A translator—

—has been guilty of misconduct, or is unfit to hold his situation, the Speaker may, if such clerk, officer, messenger or other person has been appointed by the crown, suspend him and report such suspension to the governor general, and if he has not been appointed by the crown, suspend or remove him.

Now then, if you turn this over to the superintendent appointed under the Civil Service Act you immediately transfer it from under the jurisdiction of Mr. Speaker, and I say that you cannot do it.

Mr. VENIOT: Not without amending the act.

Mr. CHEVRIER: The Civil Service Superannuation Act, 1924, section 2 (c), is as follows:

"Civil service" means and includes the several positions in or under any department, branch or portion of the executive government of Canada and, for the purposes of this act, the Senate, House of Commons and library of parliament, but saving all rights and privileges of either house in respect of the control or removal of its officers, clerks and employees;

And so on. I say that this clause of the bill is in absolute violation of three sections of the existing law. If now in this blind and stubborn way this bill has got to pass, at least these sections should be respected, and I move accordingly.

Mr. CAHAN: This bill provides for the creation of a new bureau, and parliament by passing the bill will create a new bureau under the Civil Service Act, to which all relative clauses of the Civil Service Act will apply. That provision is made in the bill. The last phrase in section 4 of the bill reads, "—and such officers and employees shall thereafter be subject to the provisions of the Civil Service Act."

Mr. CHEVRIER: But may I point out, with all due deference to the legal knowledge, training, perspicacity and acumen, politically and otherwise, of the minister, that the Civil Service Act has nothing to do with this special provision.

Mr. CAHAN: Because we are taking away that special privilege which gives six months' holidays on full pay to certain of the civil servants, a privilege which no others enjoy.

Mr. BOUCHARD: May I ask the minister why he penalizes only one class of employees in the House of Commons?

Mr. CHEVRIER: It is bad enough to penalize one class; I do not wish to have others dragged in.

Mr. BOUCHARD: The minister is penalizing one class, and seems to be proud of it. If he counts the hours that the translators spend at their work, the days and nights, he

would find their holidays are perhaps not more than one month more than the ordinary holidays in the civil service.

Mr. CAHAN: They will certainly enjoy less exhaustive hours under the regime proposed by this bill.

Mr. CHEVRIER: I suggest that the words "enjoy less exhaustive hours" are not quite right. I do not know anyone who enjoys "exhaustive hours" —"suffers" would seem to be the word.

Mr. GAGNON: I do not think the hon. member for Kamouraska is quite right. I am in agreement with him when he states that the translators who work under heavy pressure perform a very difficult task, and under those circumstances ought to have their vacations. But I do not think, Mr. Chairman, it is necessary to pass a special amendment to the act, because if the hon. member will read section 62 of the Civil Service Act he will see that civil servants are fully protected so far as their vacations are concerned. This section reads as follows:

> Nothing in this act shall be held to curtail the privileges enjoyed by the officers, clerks and employees of the Senate, House of Commons or library of parliament, with respect to rank and precedence, attendance, office hours or leave of absence, or with respect to engaging in such employment during parliamentary recess as may entitle them to receive extra salary or remuneration.

I have just heard the Secretary of State say that under this new bill all the translators who will be under the jurisdiction of the bureau for translations will remain civil servants and thereby will remain under the jurisdiction of the Civil Service Act. Had not the minister said so, I should have certainly agreed that section 62 of the Civil Service Act ought to remain in full application.

Mr. BOUCHARD: I am glad the hon member understood the minister to give that answer. I put the question an hour ago and I have not yet received an answer.

Mr. CAHAN: I simply say that under the Civil Service Act the civil service commission, after examination and investigation, recommends the extent of the holidays or vacations which shall be enjoyed by the civil servants. I stated to the committee that the civil service commission on my recommendation, if I were the minister, would recommend with respect to those employees doing translations during the session that they have ample privileges of vacation following the session, at which times their exhausted energies might be restored.

Mr. CHEVRIER: I quite agree, and sincerely and honestly I believe I should be prepared to accept the word of the minister that he would make such recommendation. But I am one of those people who believe that words fly but writings remain. The minister may be full of good intentions today, but I would much rather see it in the statute. Further than that, as the hon. member for Gloucester (Mr. Veniot) has suggested to me, there is a certain place where it is very warm and which they say is paved with good intentions. I am afraid that under this bill that is the way the translators will be going. If this bill comes into effect there will not be a single section of any law behind the civil service—superannuation, House of Commons, or any law respecting civil servants who may be engaged in translation work, which will be respected. Of course the minister will do anything he likes with it. He may just tear it up, from one corner of the book to the other. And as for section 62, to which the hon. member for Kamouraska referred, and in which because of the supposed answer given by the Secretary of State the hon. member for Dorchester found solace—well, that is all piffle. The law to-day is that these people have certain rights and privileges, and the minister states that if this bill goes through they will come under the operation of the Civil Service Act. Undoubtedly they will, but that is not the answer. The hon. member for Dorchester has shed tears on the second reading, and he now gets up and sheds more tears for these poor translators. He wants to do all he can for them, but he says he has no fear now, after what the Secretary of State has said, because they will be under the civil service commission and therefore they will get their holidays. But they will get no more holidays than the Civil Service Act allows them, and unless the minister changes the law they will be entitled to only three weeks a year.

An hon. MEMBER: How many do you want?

Mr. CHEVRIER: That is the fact, notwithstanding the good intentions of the minister. He cannot lead me to believe that because he expresses these pious wishes he means anything more than what I have said.

Amendment (Mr. Chevrier) negatived.

Mr. CAHAN: The amendment is defeated; shall we carry the section?

The CHAIRMAN (Mr. Bury): All in favour of section 4 as it appears—

Section agreed to.

On section 5—Appointment and duties of superintendent of bureau.

Mr. CHEVRIER: This section cannot carry in its present shape. I move that the following be added after the word "translations" in line 21 it refers to the superintendent of the bureau:

—who shall be thoroughly conversant with the two official languages of the Dominion of Canada and who shall be the holder of degrees conferred upon him by one or more Canadian universities.

Mr. POULIOT: Before the amendment is carried may I say, Mr. Chairman, that it does not go far enough because the superintendent of the bureau should not only be familiar with the two official languages of this country but should be familiar also with Danish, Dutch, Flemish, German, Italian, Latin, Norwegian, Portugese, Spanish and Swedish. And that is not all. These are the languages that are translated in the office of the Secretary of State. But in the Royal Canadian Mounted Police there are other languages to be translated. There is not only German but Esperanto, a very great language; also Russian, Ukrainian, Polish, Czechoslovakian, Yugoslavian, Bulgarian, Croatian, Yiddish and Hebrew. The Russian language is also translated in the Post Office Department. Therefore, Mr. Chairman, the superintendent of the bureau for translations should not only be thoroughly familiar with the two official languages in this country but be familiar with all these other languages I have mentioned in order to be able to check the work that is done by the translators. Not only that, but he should have several eyes, certainly more than two, perhaps more than a dozen, perhaps even a hundred eyes, in order to compare the translated matter with the text. As you know, Mr. Chairman, the quantity of publications that comes out of the mouth of the bureau each year represents in bulk ten cubic feet. Let us be generous and say nine cubic feet of all sorts of publications.

Mr. MYERS: What has that got to do with it? We have listened to enough of that stuff.

Mr. POULIOT: It shows the absurdity of the scheme. My hon. friend could not digest nine cubic feet of printed matter; therefore I shall not address my remarks to him but to the other members of the house who will at once see the absurdity of the proposition. Here we have a mass of printed matter so large that my arms are not long enough to show its width or depth in height.

[The Chairman.]

Mr. QUINN: It must be the Hansard of your speeches.

Mr. POULIOT: But there is something in my speeches; that is the difference between my hon. friend and me. Here we have this mass of nine cubic feet of printed matter representing tens of thousands, perhaps hundreds of thousands of pages. How could one man with only two eyes read all that when we allow him eight hours for sleeping and perhaps two or three hours for eating and walking around a little in the daytime? Even if he works thirteen hours a day no ordinary man with two eyes could read nine cubic feet of printed matter in the time at his disposal.

The CHAIRMAN (Mr. Bury): The hon. member is not speaking to the clause or the amendment. Both clause and amendment propose that there shall be such a man, and the amendment moved by the senior member for Ottawa proposes that he shall have certain qualifications. The hon. member for Temiscouata is not speaking to either the clause or the amendment; he is speaking to another proposition.

Mr. POULIOT: On a point of order, on a question of privilege, Mr. Chairman, the first thing proposed by the senior member for Ottawa is that the superintendent shall be fully conversant with both official languages. I say that his amendment does not go far enough because he should also be conversant with all the other languages that I have mentioned. If the chairman will not allow me to show before this amendment is voted on the amount of work which the superintendent will have to do, I shall have to defer my remarks until after the vote. I am making them now in order not to be under the necessity of making them afterwards. I submit, Mr. Chairman, that my remarks are perfectly relevant to the amendment because the superintendent will have to read not only the French text but also the English text and compare them both; and how can a man compare the English and French texts of all the publications that come out for each department on a wide variety of subjects, not only all the annual reports but all the weekly publications and all the monthly publications? It is absurd to expect the superintendent to read this nine cubic feet of printed matter in the French translation, and if he compares the French with the English version it will mean that he will have to read eighteen cubic feet of matter and compare them. How he can do all that is beyond my understanding.

Mr. CAHAN: I do not intend to follow the hon. gentleman. It is obvious that the superintendent of the translation bureau must be familiar with both official languages of this country, and so far as I am concerned I can give a guarantee that no man will be appointed to that position who does not have knowledge of both official languages. The civil service commission that appointed any other man would be untrue to its oath of office. The regulations which are to be made hereunder will certainly provide that the superintendent must be bilingual in one sense, but I am not going to follow the hon. gentleman further and guarantee that he will know German, Italian, Swedish, Chinese, Japanese, Yiddish and all the other languages mentioned by the hon. gentleman. The suggestion to that effect is utterly ridiculous and not worthy of the consideration of the committee.

Mr. CHEVRIER: Again we have the promise, the assurance of the minister. Now if the minister is prepared to help out a friend he does not simply say, I will help you some day, or, I will sign a promissory note. Why not come across with the cold cash? Why not put it in writing? Why not put it in this bill?

Mr. CAHAN: Simply because to do so is an insult to the intelligence of this house. We do not put in the printing and stationery act that the superintendent shall know both languages, and yet no civil service commission would dare appoint a superintendent of printing, dealing with the printing of both languages, who did not have a knowledge of both languages which is absolutely necessary. One of the essential qualifications for this position is necessarily a knowledge of both languages.

Mr. CHEVRIER: I would rather be insulted by the written word of the minister than by his courteous promise.

Mr. POULIOT: I have just one question to ask the Secretary of State.

Mr. COWAN (Long Lake): Hurry up.

Mr. POULIOT: I hear the hon. member for Long Lake (Mr. Cowan) telling me to hurry up.

Mr. COWAN (Long Lake): I stand with my minister on that.

Mr. POULIOT: The fact that he is in favour of this bill makes me more fearful about it because we know what his attitude is towards the French speaking people.

Some hon. MEMBERS: Order.

Mr. COWAN (Long Lake): If the hon. member would stop this horrible burlesque, this circus, and let us get through, things would be better. We are here for business and not for this kind of nonsense.

Mr. POULIOT: If the hon. member is for the bill, then I am against it. I am not obstructing this bill.

Some hon. MEMBERS: No!

Mr. POULIOT: I hear an echo from the other side. Would the Secretary of State be kind enough to inform the committee just what will be the duties of the superintendent? Is he to check the translation work in every department?

Mr. CAHAN: I do not think I need answer any such silly question as that. This will be an organization of which the superintendent will be the executive head. He must have a knowledge of both languages and he will have under him employees to carry out the different duties. I am the head of my department but it is not necessary for me to read the thousands of letters which come into the department.

Mr. POULIOT: I thank the minister for his answer. I see the whole scheme; there will be no change, everything will still be under the control of those who now have control. On top of it all will be a fat job for a man who will put his feet up on his desk and put a big cigar in his mouth. This man will be paid a large salary at the expense of the poor people who have suffered a cut of ten per cent. This man who will do nothing will receive a high salary at the expense of all.

Amendment (Mr. Chevrier) negatived.

Section agreed to.

On section 5—Appointment and duties of superintendent.

Mr. CHEVRIER: I am rather anxious to safeguard the rights and prerogatives of the House of Commons, although other hon. members may not be. I beg to move, seconded by the hon. member for Gloucester (Mr. Veniot) that the following words "and to the Speakers of both Houses of Parliament with regard to the translation done for the Senate and House of Commons be added after the word "year" in line 26. This section reads:

An officer to be called the superintendent of the bureau for translations shall be appointed under the Civil Service Act, who shall hold

office during pleasure, and whose duties shall be to supervise and control the bureau under the direction of the minister, and to report annually to the minister with regard to the work of the bureau during the preceding fiscal year.

With my amendment, he would report also to the House of Commons and to the Senate in connection with the translation pertaining to those houses.

Mr. CAHAN: I cannot agree to this amendmen, which is that the superintendent should report to the House of Commons over the head of his minister. It is the duty of the minister to see that these reports are laid on the tables of both houses, and the minister will do that. I will not be a minister in charge of a bureau of my department whence a report is made over my head by a superintendent of the bureau.

Mr. CHEVRIER: The amendment refers only to the translation work of the House of Commons and the Senate. I think that is fair.

Mr. CAHAN: The minister will report to parliament regarding the whole work.

Amendment (Mr. Chevrier) negatived.

Section agreed to.

On section 6—Regulations.

Mr. CHEVRIER: I beg to move that the following be added as subclause (3):

No such regulations with respect to the translators engaged in work required by the Senate or House of Commons shall come in force unless approved of by the Senate and House of Commons.

This section reads:

(1) The minister, with the approval of the governor in council, may make all regulations which are by him deemed necessary or expedient for carrying into effect the provisions of this act.

(2) Any such regulation so approved by the governor in council in pursuance of this act shall be of the same force and effect as if it had been enacted herein.

Then my amendment would follow as subclause 3. I might point out that by its complacent manner and because of some feeling of friendship, the house is divesting itself of some of its most sacred rights and privileges. Hon. members on the government side are doing this simply to allow this bill to go through holus bolus. I have never before seen such a demonstration of complacency and willingness to be divested of rights and privileges. We on this side have sat true but hon. members opposite have complacently agreed to divest themselves of the rights and prerogatives hitherto enjoyed. Because of this complacency and this desire to have this bill go through, the day will come when members of parliament and senators will have no more rights and privileges than the man on the street. I know the answer that will be made, the one which has been made time and again by hon. members opposite. They will say that the men who heat this building are in the Public Works department, that the elevator men are in the Public Works department and that the charwomen are in the Public Works department. That is true, but does that make things any better? It may be very well for this to be done with certain classes of work but when it comes to translation and to looking after the acts of parliament, the debates and the votes and proceedings, we are going one step too far. I say to my compatriots from the province of Quebec: The day will come when they will repent of having voted away some of the rights and privileges enjoyed under section 133 of the British North America Act. That section states that the acts of parliament, the votes and proceedings and the records of this house shall be printed both in English and in French. Hon. members are permitting certain things to be taken away from under the jurisdiction of the Speaker, of the clerk and of every hon. member of this house. Complacently, benignantly and with great accommodation they have allowed these rights to be taken away from this parliament.

Mr. GAGNON: I rise to a point of order. Ever since this afternoon the hon. member has been persistently insulting hon. members from Quebec by stating that they were complacently voting for the ministry.

Mr. CHEVRIER: There has been no opposition.

Mr. GAGNON: The hon. gentleman added a few minutes ago "purely for political recommendations."

Mr. CHEVRIER: No, I said "accommodation."

Mr. GAGNON: Well, that is worse. I submit that those words are unparliamentary because they impute motives of cowardice to the Quebec members on this side, and I ask that the hon. gentleman be requested to withdraw those words.

Mr. CHEVRIER: If the hon. member thinks I have imputed cowardice, that is not the meaning of the word I used. I know the

English language if he does not, and the word does not mean that. It means exactly what "accommodating" means, and it does not imply any cowardice. If the hon. member thinks that is what I had in mind, then he is wrong because I did not have that in mind at all. "Accommodating" means something else and if he does not know what it means, let him go back to Oxford and learn. As the poet says of a little learning:

> Where shallow draughts intoxicate the brain
> But drinking deeply sobers us again.

Mr. GAGNON: The hon. gentleman has more experience than I have about drinking.

Amendment (Mr. Chevrier) negatived.

Section agreed to.

Section 6 agreed to on division.

On section 7—Oaths.

Mr. CHEVRIER: Clause 7 refers to a special oath that the translators must take. Every man or woman who enters the civil service has to take an oath of office. The employee takes an oath of allegiance and it is in force during the time of employment. I say that the oath prescribed in clause 7 is a direct insult to the integrity and the loyalty of the civil servant who enters the service and takes the oath of loyalty. Now he is called upon to take this very special oath. I move that the clause be deleted.

Mr. CAHAN: Every civil servant has to take a special oath.

Mr. CHEVRIER: The minister knows better than that.

Mr. CAHAN: If this clause is struck out, then the governor in council has the right under the law of the land to impose the form of oath and the same form will be imposed over again. But time and time again during this debate it has been suggested that a bureau for translations could not be relied upon to keep secret the official secrets which came into its hands. If I remember correctly the same suggestion was made with regard to the bureau of Public Printing and Stationery. That was one of the first arguments and we have met it by placing in this bill the form of oath to be taken. Those who are in the bureau for translations at least will be under the compunction of their conscience if they allow information to leak out.

Amendment negatived.

Section agreed to.

Mr. CHEVRIER: Before you reach clause 8, sir, I want to move that the following be added as section 7 (a):

> In the case of officers, clerks and employees, who at the date of transfer to the bureau, were officers, clerks and employees of the civil service of Canada, the salaries to be paid to such officers, clerks and employees so transferred to such bureau, shall be at rates not less than the rates which such officers, clerks and employees were receiving in their former position.

Mr. CAHAN: I cannot accept the amendment because these employees enter the civil service and under the Civil Service Act as employees of the bureau for translations at the same salaries as they now have. Adjustments will be made afterwards from time to time.

Amendment negatived.

Mr. CHEVRIER: Before you proceed to clause 8, which is the clause dealing with the date upon which this legislation shall come into force, you ruled that an amendment that I had moved as subclause 3 of clause 3 was not in order and that I would have to wait until the bill had been considered in order that I might move it.

The CHAIRMAN (Mr. Bury): I understood that with the consent of the committee it was subsequently put. Every amendment that was brought before the chair has been put and lost.

Mr. CHEVRIER: I agree, provided Hansard shows that, but I now want to make it absolutely certain; I do not wish to be prejudiced, but I should like to see it in Hansard to-morrow. My understanding was that your ruling was that my amendment was out of order because it was not a material part of the clause and that I should have to wait until the bill had been disposed of.

Mr. BOWMAN: I think the hon. member is quite right. The clause was ruled out of order.

Mr. CHEVRIER: It was ruled out of order because it was not brought up at the proper time.

Mr. CAHAN: Because it was utterly irrelevant to the bill.

Mr. CHEVRIER: For the time being.

Mr. CAHAN: No.

Mr. CHEVRIER: I now move it, and the committee can rule it out of order again, because it seems that everything has to be ruled out of order. In order that there may be no mistake about the matter, there is an expression of opinion I want to see in this measure. I now move that there be added as section 7 (a):

That all departmental reports—

This would be the amendment which I left with you, sir, some time ago.

—and other documents or statements which it is the duty of any officer or department of the government to lay on the table of the House of Commons shall be issued and printed in the two official languages of the dominion, and shall be deposited simultaneously.

That is the last amendment I have to submit; it is the last cartridge out of the last trench. But I do that as a last hope of providing a safeguard, of having something in writing that will somewhat ease the feelings and the minds of those who feel that it is much better to be insulted by the written word of the minister than to take his gratuitous promises.

The CHAIRMAN (Mr. Bury): May I ask the hon. member for his amendment in writing? Every amendment here is endorsed by the clerk "lost on division." My recollection is that every amendment was put.

Mr. GUTHRIE: Put it again to save time.

Mr. BOWMAN: The amendment just read by the hon. member was ruled out of order.

Mr. CHEVRIER: Because it did not come at the proper time. Now is the proper time and I submit it again.

Mr. VENIOT: Mr. Chairman, I call attention to rule 778 on page 223 of Beauchesne. It was under that you ruled it out.

Mr. CAHAN: No, under rule 781.

Mr. VENIOT: I quote 778:

In the commons all the clauses of the bill are considered before any new clauses are brought up and added to the bill.

Under that and under 781 you ruled that the amendment was out of order. I take it that, all the sections having now been disposed of, under 778, the senior member for Ottawa (Mr. Chevrier) can now come with his amendment. Rule 778 gives him the right now to move something additional.

Mr. CAHAN: This subject is already dealt with in the bill itself, section 3, which reads:

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

[Mr. Chevrier.]

They shall collaborate and act together. To add to that that I must bring down these reports simultaneously is to impose a condition that sometimes would be very difficult.

Mr. CHEVRIER: That is exactly the point. The hon. member for Témiscouata (Mr. Pouliot) has said time and time again that the cat would come out of the bag. There is the cat out of the bag now. The hon. gentleman all through the discussion of this bill has repeatedly said here and elsewhere that the purpose of this bill was to bring down simultaneously French and English documents. Now he crawls from under; now he says he will take no responsibility for doing that. I have got him where I wanted him. That is what I wanted, an admission of this kind. I know this bill means absolutely nothing. I have to pay respect to legislation that emanates from this house; I have to observe it as the law, but this bill will mean nothing more than a dishonoured cheque.

Some hon. MEMBERS: Order.

Some hon. MEMBERS: Question.

The CHAIRMAN (Mr. Bury): Order. May I ask the hon. senior member for Ottawa to come and show me which of these is the particular amendment he now wishes put? It is agreed by the committee that the amendment be submitted now, whether it was submitted and lost before or not.

Amendment (Mr. Chevrier) lost on division.

On section 8—Enforcement of act.

Mr. POULIOT: May I ask the Secretary of State when this bill will come into force, and will there be any provision in the estimates in that regard?

Mr. CAHAN: The time of its coming into force is within the decision of the governor in council. If they act on my recommendation I shall recommend that the bill be brought into force as soon as the preliminary organization can be carried out, probably within a short time after the prorogation of parliament.

Mr. POULIOT: Now may I ask one last question, the very last of the Solicitor General? How is this bill a recognition of the French language?

Mr. DUPRE: I have already stated in the debate on second reading what I thought of the bill, and every argument I have heard from the other side has convinced me that the bill is good and necessary.

Mr. POULIOT: Just a word on that—

The CHAIRMAN (Mr. Bury): The hon gentleman is out of order. We are dealing with clause 8.

Section agreed to.

Bill reported.

SUPPLY

DEPARTMENT OF AGRICULTURE

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

Entomology, including investigations and inspections relating to destructive insects and pests, $350,000.

Mr. REID: I wonder if the minister has any information regarding the experiment being carried out in the Fraser valley in regard to the health of animals. I understand the department have rented a certain farm and are conducting tests in connection with a number of cows there, and I wonder if the minister has any further information.

Mr. WEIR (Melfort): The work is still going on; no definite conclusion has been arrived at. I shall be glad to have the information up to date sent in the form of a letter to the hon. member, because I know he has been especially interested in the matter.

Mr. MOTHERWELL: Two rather interesting orders in council were tabled here the other day, which indicate that $500,000 in the one instance and $1,500,000 in the other have been loaned to the Saskatchewan government for relief and grasshopper control. The Prime Minister said this had been done several weeks ago, and I think the committee is entitled to an explanation. This matter was brought up last Friday, and the recommendation to council may have been prepared on Saturday. At all events it went through by Monday at the latest, according to a statement in the Regina Leader made by Premier Anderson, which says that $500,000 has been loaned for grasshopper control. That is dated Tuesday; the announcement was made last Monday, so the orders in council with respect to this $2,000,000 must have been passed after the discussion last Friday, though the Prime Minister said that considerable amounts had been granted for the same purpose two weeks ago. I have examined or have had examined every order in council back to January, and I have not found any order in council earmarked for grasshopper control; anything that has been done has occurred since the discussion. I think the Prime Minister owes the committee an explanation.

Mr. BENNETT: Half a million dollars had been expended in connection with grasshoppers long before the discussion took place in this house last Friday. The government of Saskatchewan requested that we make them an advance, and they secured their money from the bank, because at the moment there were other provinces in the same position. So when the order in council was prepared and put through part of the money had been obtained from the banks, and we were paying the money when we were in the most convenient position to do so. There has been an additional loan of $750,000 to Saskatchewan since that time. The truth is, that their revenues have been disappointing, while the revenues of some of the other provinces have been larger than was expected.

So far as the grasshopper matter is concerned, as I said the other evening we had arranged to make a loan. It happened that at the very time we were discussing the matter here a telegram was in transit from the west saying that they now had expended the full half million dollars and asking if it would be convenient for us to forward the money, which we did on the following day. The other sums were for general purposes, some of them for our share of relief for which we were obligated under an agreement made last year. We extended the time for works that were partly completed and continued to pay direct relief on the basis of the agreement of last year for the months of April and May. The Minister of Labour advised all the provinces by telegram that we would continue to make relief payments for April and May on the same terms as provided by the agreements of 1933.

Mr. STEWART (Edmonton): These recent orders in councils are for loans, of course?

Mr. BENNETT: Yes, except with respect to relief, where we have the obligation under the agreement. The others are loans, as the hon. gentleman says.

Mr. COWAN (Long Lake): I think the hon. member for Melville (Mr. Motherwell) must have been sound asleep for the past year or so. Otherwise he would know that we have had a grasshopper plague out in the west and that we have the most complete organization for fighting it that ever existed in the Dominion of Canada. I think this committee should know what is being done. Our farmers have been thoroughly educated during the winter months; winter classes were held all over the province because our agricultural department discovered there were sixteen million acres of land infested with grasshopper eggs. The educational campaign was led by

the entomological department of the university of Saskatchewan, with which is associated the entomological branch of the federal government. We have a very intelligent department out there, notwithstanding my hon. friend from Melville, and all our municipalities were thoroughly organized to fight this plague; they have held mutual councils regularly.

Some people call these pests grasshoppers while some call them locusts. I believe locusts is the biblical term, but I never use that term. If anyone has ever faced this plague, as I have faced it, they would know it is something that must be faced in a very heroic manner and I am very glad that this organization of which I speak has been carried on quietly with the assistance of the Minister of Agriculture. There is no doubt about the assistance that has been given by the federal department, nor is there any doubt about what the agriculture department of the province of Saskatchewan has done and is doing to-day. There is no doubt about what the municipalities are doing, so we need not be afraid that we will not do our part, the hon. member for Melville to the contrary notwithstanding. The hon. gentleman can find all the fault he wishes; I do not care. We are going to fight this plague, and we will succeed. The best news I have heard from Saskatchewan in five years was the news that recently, in the country from which I come, copious rains have fallen. The five year drought has been broken, and nothing will do more to destroy these grasshoppers than the rains which have fallen in the last few days. I hope my hon. friend from Melville will rejoice with the rest of us that Saskatchewan is at last coming back.

Mr. MOTHERWELL: I have not been closely following this method of doing business, but I gathered from the Prime Minister that this money had been expended previously. Was that correct?

Mr. BENNETT: Our advices were that the money had been expended to the extent of half a million dollars.

Mr. MOTHERWELL: It has been spent in the preparation campaign? The grasshoppers are just hatching now.

Mr. BENNETT: No, it had been spent in providing poison for their destruction.

Mr. MOTHERWELL: This was for the late winter campaign?

Mr. BENNETT: No.

[Mr. W. D. Cowan.]

Mr. MOTHERWELL: That was when the poison was supplied. I will tell you what I believe; it is that if there had not been a discussion last Friday no order in council would have been passed for this amount of money. How did the amount happen to be $2,000,000, exactly the amount being spent in the United States to which I drew attention last Friday? Do you think I will take that as a coincidence? Two orders in council passed totalling exactly the same amount as the amount I mentioned had been allotted by Washington. The government got busy the very next day and passed those orders in council. That is what happened. You do not think we were born yesterday, do you? I know, and I knew when last Friday the right hon. gentleman said that these moneys had been spent, or had been paid, or agreed to be paid some two weeks before, that he was just stringing this house, that is all.

Mr. BENNETT: Mr. Chairman, I rise to a point of order. That remark must be withdrawn. The hon. gentleman said I was stringing this house, and I ask him to withdraw that remark.

Mr. MOTHERWELL: In the face of these figures—

Mr. BENNETT: Order; the chair is speaking.

The CHAIRMAN (Mr. Bury): The hon. member—

Mr. MOTHERWELL: The Prime Minister has no right to ask this house to accept his statement, in the face of these orders in council. I will take it back, then. I say he has no right to ask this house—

Mr. BENNETT: I wish to have that remark withdrawn.

Mr. MOTHERWELL: I have withdrawn it, but I am saying now that he has no right to ask this house—

Mr. BENNETT: That is just repeating it.

Mr. MOTHERWELL: —to accept his statement, in the face of the orders in council. I know a little bit about how business should be done by governments and others, and if this is the way it is being done by this government, it is extraordinary that the Prime Minister did not say so at once last Friday. Where did they get the money? Did they get it from the banks? Mr. Anderson says it is to pay for a campaign now nicely started. The newspaper article states that the $500,000 federal grasshopper advances, according to information available in Regina, would cover

the cost of the campaign of poison distribution now under way. I wonder if it is a grasshopper campaign or an election campaign that is on. You may as well say it is the one as the other. An election campaign is in progress, and we find that an order in council is tabled the day before yesterday and is issued either on Saturday or Monday. The wire is sent out to Mr. Anderson, and he loses no time in announcing it. I say that without vouchers, telegrams and details that does not correspond with the way things are done in ordinary business, nor does the statement made by the Prime Minister conform to the regular business methods of the house.

The right hon. gentleman was trying to make out the other day I was too old to understand these things. Well, I am getting old, but I am not responsible for my age any more than the Prime Minister is responsible for his—or the age of anybody else, so far as I know. He was wondering what the people would think who were listening in the gallery. I think they will be still wondering, if that is the way the Prime Minister conducts the business of the country. And then when one in his seventy-fifth year undertakes to draw attention to the matter, he says he is going to treat extreme age with silence; but I am not going to treat his bluster with silence. Of course, sometimes provinces have to borrow from the bank, and then afterwards recoup the banks from the federal treasury. But does the minister expect this house to accept his statement that these two orders in council aggregating $2,000,000, or exactly the amount given by the United States are merely a coincidence after last Friday's discussion? There are some remarkable things I know in the world which have been mere coincidences, and if the Prime Minister will say that these two matters are coincident, I shall accept his statement.

Mr. COWAN (Long Lake): I should like to ask the hon. member a question.

Mr. MOTHERWELL: I am not asking the member for Long Lake, because he does not know anything about this matter. I am asking the Prime Minister.

Mr. COWAN (Long Lake): All right, go on.

Mr. WEIR (Melfort): Mr. Chairman, reference has been made by the hon. member for Melville to the part being played in the campaign against grasshoppers by the United States, and to the fact that their expenditures have equalled the sum of $2,000,000. The difficulty last year in connection with the campaign in Saskatchewan was that in the United States territory adjacent to Saskatchewan no campaign was undertaken to fight the grasshopper menace. The result was that they were allowed to hatch and develop, and they came in clouds to attack the crops in the province of Saskatchewan. Realizing what had happened not only in their own country but in Canada, the United States undertook this year to carry on a very effective campaign to deal with their grasshopper situation. So that there would be no break in operations an international meeting was called to be held at Fargo in Dakota at which were represented—

Mr. MOTHERWELL: Last year?

Mr. WEIR (Melfort): No, this year; it was in the winter time, preparatory to this spring's work. There were representatives from the dominion department and from the provincial departments of Saskatchewan and Manitoba. It was agreed to make a united effort against this menace or pest. The United States voted $2,000,000 and undertook to carry on their campaign under federal auspices. Those who have watched the campaign and the effect of preparation for it feel that at a cost of $700,000 in the three prairie provinces the work done under our methods will be more effective or at least as effective as that carried on by the federal government of the United States. That is so, because the fact that they are undertaking the whole responsibility, means that they have to pay for all the work being done. In Canada the method of campaign and division of work is as follows: Officials of the federal department of entomology made a survey last year, and are continuing their survey at the present time. They had all possible information before them as to where outbreaks might be expected, so that municipalities and farmers affected would be equipped to meet it. Entomological officials of the federal department, officials of the experimental farms, and officials of our seed branch, together with officials of the provincial governments met and set up a central committee which undertook an educational campaign throughout the west. Upwards of 1,400 committees were established to take care of the divisions into which the provinces had been divided. The provinces were to supply poison and bait. In that connection they ran into some difficulty because the price of bran rose quickly through the demand for that commodity. It was used in a fifty-fifty ratio with sawdust and with water and poison and was to be broadcast as thinly as possible as bait. As a result of the rise in the price our officials in western Canada

undertook a study of some substitute for bran. A substitute was found which was almost as good and whether or not the fact it was found had any direct bearing on the drop in the price of bran I should not like to say definitely, although we feel it had. The fact is that bran dropped considerably in price. That bait has been purchased and distributed, ready for operation in the campaign. The municipalities take the responsibility for the distribution of this bait and the farmers themselves do the work of applying the poisoned bait in their own time. They are responsible on their own farms. It is believed by those in the best position to judge that this method, with the expenditure we have made, is the most effective method that could be employed, because it puts the responsibility directly on the farmer but involves no cash outlay on his part. If they carry out this plan the way we believe they will, we think it possible to save from the prospective crop fourteen out of the fifteen bushels from the grasshopper menace. We have an example in the vicinity of Lake Carlyle, in Saskatchewan, where individual farmers who applied this bait, which has to be applied in sunlight, at temperatures varying from 65 to 85 degrees did save their crop almost entirely. They estimated a loss of about one bushel per acre, while farmers adjoining who did not do this work lost practically their whole crop. But we have every hope this year, with the co-operation between the American officials and our own, that it will be possible absolutely to control the grasshopper menace so long as there is no letting up of activity. But to show the danger we run into in certain parts of the west because of people giving out information that the menace was not as bad as our officials had reported, this year the officials in a certain municipality went out to a certain area where we had reported a severe outbreak as likely, and took the machine with which the soil is shaken to count the eggs, and after a good deal of work on their part reported that the danger had been very much overestimated. Our officials went there to check up, and taking these people with them, showed them, by the proper method of finding out how many eggs there were, that from fifty to one hundred eggs were present per square foot and that we had been very conservative in our estimate. The trouble was that the officials of the municipality who had gone out were so vigorous in making the test that they not only shook out the earth but the eggs as well. Our committees are very wide awake to see that there will be no lessening of their energy and no lessening of their appreciation of the difficulty that is in front of them. This bait and the poison had to be bought, and so far as I am aware, and I have been more closely in contact with the situation than anyone else in the government, every request so far as finances are concerned has been fully met, so that the poisoned bait and everything that goes with it can be purchased.

Mr. MOTHERWELL: I have no fault to find with that at all. We all know that they started good and early and distributed the poison betimes. But what I pointed out last Friday was also true. It was on the last lap of the hopper fight that the campaign fell down last year, for want of poison, and I drew the attention of the government to the fact that the estimates for entomology were reduced to one-half of what they were in 1931 and that no special grant was in sight in Canada as there was in the United States, where $2,000,000 had been appropriated. I pointed out that we were in danger again of a vastly greater territory being infected this year with grasshopper eggs, and that if we were to run short again of grasshopper poison during the last lap of the campaign the insects would take their flight, and of course, scatter all over the rest of the province.

I have nothing but commendation to give to the minister for starting earlier in the campaign, but what I wanted to know was, where was the money to correspond with the United States grant? The Prime Minister justified the small vote this year on the ground that it would not be needed, that the grasshoppers were receding, and that less money would be required, showing that he did not know the first thing about it. I pointed out that that was a long-bow stretcher of a statement to begin with. I pointed out that they were not receding, that it was the worst and most terrific invasion of grasshoppers that we have ever seen and that more money was required. The Prime Minister went on for half an hour or more, answering either myself or the hon. member for South Battleford (Mr. Vallance) or the hon. member for Willow Bunch (Mr. Donnelly) and pointing out that the money voted, while it was less, was being efficiently administered; that the grasshoppers were disappearing and that we did not need so much money. Then someone must have given him a tip, because he began to say something about something being given, after I had suggested drawing on the vote for

peace, order and good government. I suggested, why could we not keep peace and order with the grasshoppers as well as with anything else, but there was no response even to that. Then after a little while the Prime Minister wakened up to the fact that there really were more grasshoppers there than last year and he said they had arranged to make a loan for that purpose to the west. May I ask the minister when the recommendation went to council on which the order in council was based? Of course, a recommendation is always sent to council by some minister before an order in council is passed. Was that recommendation sent by the Minister of Agriculture or the Minister of Labour? The Prime Minister said last Friday that the Minister of Agriculture always attended to such requirements, and naturally I would suppose he would look after it. When was that recommendation sent to council, and by whom? Does the minister know what day the order in council was passed?

Mr. WEIR (Melfort): The understanding was this. We received various requests because we are very closely in touch with the committee of the provincial governments with a view to making this campaign thoroughly effective. We have been in touch with them from time to time and have assured them that whatever was necessary to carry out this campaign would be given, as it has been in the past in connection with various relief works and other works. They received this money from the banks, the banks having been given the assurance that when the required amount was purchased—and no one could say exactly what that amount was—the money would be forthcoming.

So far as the information last week is concerned, I myself received a telegram from western Canada before the discussion took place in the house at all.

Dealing with another point while I am on my feet, the hon. member asks why this vote is cut in two. He will remember, I am sure, the way it was done when he was Minister of Agriculture. This used to be under a vote for the Destructive Insect and Pest Act and the money divided between the experimental farms branch and the entomological branch, but this year it was felt more advisable, in order that the officials in charge could make their plans ahead, to divide the vote, giving the experimental farm their part and the entomological branch theirs, which is the item under discussion. Not only that, but actually there is a slight increase this year as compared with last in what was given to the entomological branch. So, instead of a decrease in the vote there has been a slight increase.

Mr. MOTHERWELL: I think I knew most of that except that I did not know the half, $350,000 was more than the whole, $700,000, and I do not know that yet. My hon. friend forgot to tell me when the recommendation went to council.

Mr. WEIR (Melfort): I could not say exactly. I believe it is the finance minister who submits the recommendation in such cases as this.

Mr. MOTHERWELL: There was a meeting of council, apparently. I do not want to ask my hon. friend what occurred in council, but somebody must have sent a recommendation upon which the order in council was based. I anticipate that it would be the Minister of Finance in the event of a loan being required and made. That would be in his department. But either he or somebody else must have made a recommendation to council. It seems to me we cannot get this information. They do not want us to get close to the matter. There should be a record of the recommendation to council. Every order in council is based on somebody's recommendation, and it should not be a difficult matter to produce it. I do not think, Mr. Chairman, I should be accused of being oversuspicious in the absence of something being given to the committee beyond a nice dissertation on what was done last fall, all of which we knew. I asked a question as to when the recommendation was made to council, when it was signed, who signed it and when the order itself was signed.

Mr. WEIR (Melfort): I do not think the hon. member has got the point. An understanding was reached with the government of Saskatchewan that they were to proceed to make every possible preparation to meet this grasshopper menace, and this was made months ago.

Mr. MOTHERWELL: That is quite all right.

Mr. WEIR (Melfort): We have been in almost continuous contact with them. As I stated, a telegram came from Regina stating what had been purchased, what their indebtedness was for it and asking that money be sent.

Mr. MOTHERWELL: I know that. I think all this money is spent in advance; a loan is obtained from the bank and then

recouped afterwards. There is no other way of doing it, but that has nothing to do with the date upon which recommendation was made to council. There should be no difficulty in telling the committee when the recommendation to council was made, when the order was signed and when the governor general signed it. It looks to me as though there must have been some awfully smart work done to have it gazetted before the announcement was made in Regina. The announcement was made on Monday, so they must have worked on Sunday. Why should there be this secrecy? If the minister does not know, the Minister of Labour (Mr. Gordon) should know, or the Prime Minister.

Mr. WEIR (Melfort): I am afraid the hon. member is labouring under a delusion. This money was actually spent during the past two or three months.

Mr. MOTHERWELL: I may be getting old but I am not so old that I am labouring under a delusion. I have been sitting around the council table too long not to know all about recommendations and orders in council. Sometimes they are put through the same day the recommendation is received, but more frequently it is the next day as the clerk must get them ready. Evidently there was rush after last Friday and I can imagine that they all went through on Saturday or Monday. I do not see why we cannot be given this information.

Mr. MANION: Why is the hon. member opposing the giving of this money to Saskatchewan? He is from Saskatchewan and I do not understand why he should oppose it.

Mr. MOTHERWELL: My hon. friend is not so thick in the head as not to know what I am trying to get at.

Mr. MANION: What is the opposition for?

Mr. MOTHERWELL: I am not objecting to giving money to Saskatchewan because I think they need it all. It happens, I suppose, to be a coincidence, that is all. An election is on at the same time the grasshoppers are there—they are all hopping around. What I want to know is why this order in council was put out at the exact time it was, and immediately after last Friday's discussion. Was that a coincidence?

Mr. BENNETT: I just want to say one word. The item under consideration is one of three hundred thousand odd dollars for entomological work. This has nothing to do with grasshoppers. It has been pointed out that this amount was arrived at in consequence of the vote of the previous year being divided between the experimental farms and the work carried on by the entomologists. The discussion which took place the other evening indicated that this was not to be used for the destruction of grasshoppers. At least, that is what I said, as hon. gentlemen know. It has nothing at all to do with the destruction of the grasshopper. During the discussion the question arose as to whether or not Saskatchewan was properly caring for its farmers by taking the necessary measures to destroy the grasshopper. It is obviously not my duty to follow every item but I knew that we had undertaken to supply Saskatchewan with all the money required for the purpose, whether the sum was large or small. We arranged with them to go ahead with their work and buy their poison. My memory is that the Minister of Agriculture, who lives in Saskatchewan, received a night letter on Saturday morning, which, of course, had been sent before this discussion took place. This night letter indicated that they had now reached half a million dollars of expenditure, not a million and a half dollars. Matters of this kind which do not come under the relief act are recommended by the Minister of Finance. There was no mystery about it. The recommendation was put through; I signed the order in council, and my memory is that His Excellency approved it on Monday. The order in council was laid on the table of the house. I cannot say with certainty upon what date His Excellency signed it. The million and a half obviously involved a matter which had to do with other things altogether. My memory is that it was one of the provincial ministers, I believe the treasurer, who was down here to discuss the question of advances to be made for this purpose and who sent the telegram to the Minister of Agriculture. This telegram was sent in pursuance to a promise given to the treasurer by the Minister of Finance. We sent the money to him. I may say that we have had to send substantial sums to other provinces, and I cannot understand why a heated discussion has taken place on this item. This item is for entomological purposes and has nothing to do with the other question. The other question is between Saskatchewan and the dominion and it has been arranged to the satisfaction of the province. That refers to the manner in which the province discharged its duties with respect to the grasshopper plague. If there was any mystery about it, it is hardly likely that it would have indicated, as was clearly done, that this was money which was utilized

for that purpose. If there was any mystery about it there would have been no necessity for its being there, as every member of the former government must know. It was done just in the ordinary course, and if it happens to be a coincidence, it is one of those coincidences which sometimes happen. The fact that it happened to be half a million was merely because Saskatchewan had reached a point where they had no further credit. They had spent a million and a half and it was acted on accordingly.

Mr. MOTHERWELL: There is no need to draw upon my right hon. friend's memory for information as to when the order in council was passed. It was laid on the table the day before yesterday and it is on all our files. I knew this money was required in the west and I knew it was required last year, and more of it. What I was referring to was the delay of the government in getting the supplies through when they were needed. My hon. friends jumped right into the breach and it was not twenty-four hours before they got busy with the recommendation to council after the question was raised by myself and others last Friday. The order in council was put through on Monday and tabled on Wednesday. That was pretty smart work, and I want to congratulate them; but I just want to tell them that they cannot put that thing over on me, that they had it arranged months and months ago or even weeks and weeks ago.

Mr. BENNETT: The hon. member must withdraw that statement. I said and the minister has said that these arrangements were made with Saskatchewan. Under the rules the hon. member is bound to accept our statement. He says that we cannot put that thing over on him, but I desire that he should live within the rules. His age protects him from many things but not from that.

Mr. MOTHERWELL: Mr. Chairman—

Some hon. MEMBERS: Withdraw.

Mr. MOTHERWELL: —in doing business to the extent of millions—

The CHAIRMAN (Mr. Bury): The hon. member must accept the statement of the Prime Minister.

Mr. MOTHERWELL: All right; we will have it out another day.

Mr. LAPOINTE: It is eleven o'clock.

Mr. BENNETT: It is not eleven o'clock for a point of order.

The CHAIRMAN (Mr. Bury): Has the hon. member accepted the statement of the Prime Minister?

Mr. BENNETT: I say to the hon. gentleman who is an ex-minister of the crown that when he states that we cannot put that over him, we did have arrangements to advance money to the province of Saskatchewan for this and other purposes, this is a statement that is contrary to the rules, and I ask him to accept the statement of the ministry as to what was done and not say that the ministry has stated in the house what was not true with respect to the matter.

Mr. MOTHERWELL: We will accept the right hon. gentleman's statement, but will he not come along on Monday with the documentary evidence of this? Why should we have to take the minister's statement with regard to money when there is a regular business way of dealing with the matter?

Mr. WEIR (Melfort): There is just one wrong impression that I wish to correct before we leave this, and that is that the campaign in Saskatchewan last year was in any way curtailed by lack of support from the federal government for supplying bait for fighting the grasshopper menace that year.

Mr. MOTHERWELL: I know they ran short of poisoned bait several times.

Progress reported.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

Monday, May 28, 1934

The house met at three o'clock.

TARIFF BOARD REPORT

Hon. E. N. RHODES (Minister of Finance) presented the interim report of the tariff board on the subject of wool textiles.

Hon. W. R. MOTHERWELL (Melville): May I ask the Minister of Finance (Mr. Rhodes) if sufficient copies of the interim report of the tariff board will be published to enable each member to obtain one or two, since I understand the report is of peculiar importance to the public.

Mr. RHODES: No, not unless some new practice is devised under the act. We are only called upon to table one copy for the use of the house.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

*J. W. GAUDETTE

Mr. BOULANGER:

1. Is J. W. Gaudette, of Quebec, in the employ of the government?
2. If so, what position does he occupy, what salary does he receive and when was he appointed?
3. Was he appointed by the civil service commission following an examination?
4. If not, in what manner was he appointed and upon whose recommendation?

Mr. CAHAN: I have not been able to ascertain whether any person by the name of J. W. Gaudette is in the employ of any department of the government of Canada.

ASSISTANT DEPUTY POSTMASTER GENERAL

Mr. BOULANGER:

1. Who is the assistant deputy Postmaster General?
2. When was he appointed?
3. What salary does he receive?
4. When was he appointed to the civil service of Canada?
5. Where was he born?
6. How long had he been a resident of Canada when he was appointed to the civil service of Canada?

Mr. SAUVE:

1. Coolican, Peter Thomas.
2. April 1, 1925.
3. $6,000, (less 10 per cent).
4. November 27, 1907.
5. England.
6. No information.

CANADIAN NATIONAL RAILWAYS COST OF TRAINS BETWEEN MATAPEDIA-CAMPBELLTON

Mr. MARCIL:

1. What has been the cost to the Canadian National Railways, per year, of running the Gaspe trains to and from Matapedia to Campbellton since the changing of the terminus?
2. What has been the cost to the Canadian National Railways of hauling the postal cars for the Gaspe mail service from Matapedia to Campbellton and vice versa, since the Post Office Department has been freed of any cost in this matter?

Mr. MANION:

Mr. Marcil's question was submitted to the chairman of the board of trustees, Canadian National Railways, who replies that the inquiry concerns a detail of railway operation which is not of public interest, but adds that the operation of the Gaspe trains through to the main line terminal of Campbellton—a distance of 13 miles—and the closing of the branch line terminal at Matapedia, after taking into account all changes in arrangements incidental thereto, has resulted in a saving to the railway company.

The subject matter of the inquiry is, of course, one that might be brought up later at a meeting of the select standing committee on railways and shipping, should the honourable member so desire.

*TRUST AND LOAN COMPANIES

Mr. GOULET:

1. How many trust companies, loan companies or other companies in Canada are allowed to accept deposits?
2. Are such companies audited by the Department of Finance?

Mr. BENNETT: With respect to this question I intended to have indicated the other day that part of the information asked for will take some time to secure, inasmuch as it is within the sole province of the several provincial legislatures to deal with companies that have charters from such legislatures.

Question stands.

POST OFFICE SAVINGS BANKS

Mr. GOULET:

1. What is the government doing to encourage the public to deposit money with the Post Office Savings Bank?
2. Is the government advertising the Post Office Savings Bank?
3. Is the government soliciting deposits for the Post Office Savings Bank?

Mr. SAUVE:

1. Whenever demand is made for the establishment of a Post Office Savings Bank in a locality, prompt action is taken to provide this facility, if the circumstances are favourable.
2. Advertising is carried on in connection with the Post Office Savings Bank in the form of posters and hand-bills on the premises of post offices where savings banks are located.
3. The post office provides every facility possible for those wishing to deposit with the Post Office Savings Bank. It does not make a practice of soliciting business.

*MUNICIPAL ASSESSMENT OF CROWN PROPERTY

Mr. MACKENZIE (Vancouver):

1. Is the Vancouver Board of Harbour Commissioners opposing the city of Vancouver's attempt to assess private occupants of crown properties?
2. What was the amount paid by the Alberta wheat pool for the Vancouver harbour board's elevator: (a) in 1932; (b) 1933; (c) 1934?

Mr. BENNETT: The second part of this question can stand as an order for return.

As to the first part, the British North America Act provides that property belonging to the crown is free from taxation. We therefore have no power to impose taxation upon it, and when the city of Vancouver sought to assess private occupants of crown property it was made known to them that if the properties were assessed as leases or leasehold interests in crown property the crown was not concerned, but when it was intimated that it was proposed to assess such leasehold property as fee simple, then the operation of the section in question of the British North America Act made it impossible to agree to any such action.

*PUBLIC WORKS—QUEBEC

Mr. BARRETTE:

1. Has the government reconsidered requests already made during the years 1921 to 1930, with respect to the following works:—

(1) Dredging at Pentecote river (Riverin river), on the north shore of the St. Lawrence.

(2) Improvements to the wharf on the north shore of Aux Coudres island in the county of Charlevoix.

(3) Construction of the wharf at Mutton bay, in the county of Saguenay.

(4) Enlargement of protective works at Moisie, in the county of Saguenay.

(5) Construction of the wharf at Moisie, in the county of Saguenay.

(6) Construction of the wharf at Magpie, on the north shore of the St. Lawrence river.

(7) Breakwater at Longue Pointe de Mingan, on the north shore of the St. Lawrence river.

(8) Enlargement of the wharf at Harrington harbour, in the county of Saguenay.

(9) Wharf at Hamilton cove (Portneuf river), in the county of Saguenay.

(10) Enlargement of the wharf at Dolbeau (Grosse Roche), in the county of Saguenay.

(11) Enlargement of the wharf at Betsiamites (Bersimis), in the county of Saguenay.

(12) Repairs and improvements to the wharf at Beaupre, in the county of Montmorency.

(13) Improvements to the wharf at des Rochers bay, in the county of Charlevoix.

(14) Dredging at Petites Bergeronnes, in the county of Saguenay.

(15) Protective works at Pointe-au-Boisvert, in the county of Saguenay.

(16) Construction of the wharf at Point Lebel, in the county of Saguenay.

(17) Enlargement of the wharf at Port-au-Persil, in the county of Charlevoix.

(18) Enlargement of the wharf at Port-au-Saumon, in the county of Charlevoix.

(19) Wharf at Riviere-aux-Vases, in the county of Saguenay.

(20) Protection of the shore at river Blondelle (St. Joachim), in the county of Montmorency.

(21) Enlargement of the wharf at St. Anne de Beaupre, in the county of Montmorency.

(22) Work on the retaining walls of St. Jean river, on the north shore of the St. Lawrence river.

(23) Protective works at St. Margaret river, in the county of Saguenay.

(24) Reconstruction of the wharf at St. Irenée, in the county of Charlevoix.

(25) Construction of a public building at Pointe-au-Pic, in the county of Charlevoix, for the use of the Post Office Department.

(26) Wharf at St. Simeon (Riviere Noire), in the county of Charlevoix.

(27) Enlargement of wharf at St. Simeon, in the county of Charlevoix.

(28) Enlargement of the wharf at Sept-Iles, on the north shore of the St. Lawrence river.

(29) The breakwater at Sheldrake on the north shore of the St. Lawrence river.

(30) Enlargement of the wharf in du Gouffre river, at Baie St-Paul, in the county of Charlevoix.

(31) Enlargement of the wharf at Petite Riviere St. Francois, in the county of Charlevoix?

2. If so, will the government comply with these requests this year?

Mr. BENNETT: Mr. Speaker, is not this an improper question? If you will be good enough to look at the second part:

If so will the government comply with these requests this year?

I think there is a rule that no question of that character may be asked. The inquiry refers to the years from 1921 to 1930, lists a number of works, and then asks the intention of the government with respect to them. I think that is an improper question.

Mr. SPEAKER: Question No. 9 will be struck out.

GENERAL HORNBY'S IMMIGRATION PLAN

Mr. BOULANGER:

1. Is the Canadian government assisting or has it promised to assist directly or indirectly a certain General Hornby or any other person or any organization to bring farmers from England and settle them in the county of Compton, province of Quebec?

2. If so, what are the names, occupations and addresses of the persons or societies that may have recommended this scheme to the Canadian government?

3. Is the government of the province of Quebec assisting or has it undertaken to assist directly or indirectly in carrying out such scheme?

4. Is the municipal council of the city of Sherbrooke assisting or has it undertaken to assist directly or indirectly in carrying out such scheme?

5. Is the municipal council of the county of Compton assisting or has it undertaken to assist directly or indirectly in carrying out such scheme?

Mr. GORDON:

1. No.

2. While various inquiries have reached the Department of Immigration and Colonization, it can scarcely be said that the Hornby scheme of settlement has been recommended to the department except by General Hornby himself.

3, 4 and 5. No information.

QUESTIONS PASSED AS ORDERS FOR RETURNS

ALBERTA WHEAT POOL—VANCOUVER TERMINAL

Mr. MACKENZIE (Vancouver):

What was the amount paid by the Alberta wheat pool for the Vancouver harbour board's elevator in: (a) 1932; (b) 1933; (c) 1934?

QUEBEC HARBOUR BOARD—AUTOMOBILE ALLOWANCE

Mr. CASGRAIN:

1. What sum of money has been granted to M. O'Meara and the two other members of the Quebec harbour board in lieu of the automobiles at their disposal the use of which was discontinued in the month of August, 1932?

2. What sum was expended by way of repairs, painting, renewal of parts, mechanical work, tires, etc., to Commissioner LeBlond's Packard automobile, from January, 1932, to August, 1932?

3. How many gallons of gasoline and oil were used from January, 1932, to the month of August, 1932?

4. In what manner was the used Packard automobile sold by Commissioner LeBlond, and what sum was paid by Commissioner LeBlond for this car?

5. Whether Commissioner LeBlond refunded the amount paid as licence fee from the month of August, 1932, to the month of February, 1933?

6. Whether Commissioner LeBlond refunded insurance to the amount of $363?

7. What quantity of gasoline did Commissioner LeBlond receive from the harbour board since August, 1932?

8. What sum was granted to Commissioner LeBlond in connection with a trip to Saint John, New Brunswick, on February 27 last?

MOTIONS FOR PAPERS

BONAVENTURE COUNTY, QUE., PUBLIC WORKS

Mr. MARCIL:

For a copy of all pay lists and accounts for material in connection with work done by the Department of Public Works in the parish of Bonaventure, Bonaventure county, during the year 1933.

DISMISSAL OF HECTOR HAMEL

Mr. VENIOT (for Mr. Denis):

For a copy of all letters, correspondence, telegrams, reports, inquiries, and other documents, respecting the dismissal of Mr. Hector Hamel, acting customs appraiser at Montreal.

[Mr. Boulanger.]

DEATH OF DOCTOR WILLIAM SPANKIE

TRIBUTES BY PRIME MINISTER, LEADER OF THE OPPOSITION AND MR. SPEAKMAN

On the orders of the day:

Right Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, it is my sad and melancholy duty to inform the house that for the second time this session one of our members has been touched by the hand of death. Doctor William Spankie, the member for Frontenac-Addington, passed to his reward yesterday. He was a much-beloved member of this chamber. I think all who knew him held him in affectionate regard and esteem. He lived the greater part of his life in the community in which he was born, and he was family physician to practically three generations. Just what that meant people in these days have little opportunity of understanding, for the old fashioned physician, shall I say, with the changes that have led to greater complexity in our civilization has passed from the scene. That one who was a family physician for two or three generations would be greatly beloved goes without saying. His genial manner, wide knowledge of human nature, and his professional attainments, which had been recognized alike by the medical council of his province and of the dominion, made him a very popular figure in the community in which he lived. He took a deep and abiding interest in the public welfare. He was inspector of schools for many years, was greatly interested in educational matters in his province, and kept abreast of the great changes that have taken place in the medical profession, for as I say, he was closely identified with the council of physicians and surgeons not only in Ontario but in the dominion as well.

His life was an arduous one, especially in the earlier days, when the work of his profession kept him moving from place to place on Wolfe Island. He was accustomed to hardships and difficulties. That greatly endeared him to those whom he served. His popularity was such that when a vacancy occurred for the county in which he lived he was elected by acclamation and subsequently returned to this house.

He had attained the ripe age of seventy-four, being in his seventy-fifth year. He had given hostages to fortune, for three of his sons reside in the province in which I live, and two of them are members of the profession of which he was an ornament. I am sure that to the survivors of his family, his children, you, Mr. Speaker, will convey the sympathy of this house, for to the members of this chamber Doctor Spankie had endeared

himself by the kindliness of his nature and his genial personality. We shall miss him greatly. It is one more reminder to us of the uncertainty of life.

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): Mr. Speaker, the tribute which the Prime Minister (Mr. Bennett) has just paid to the memory of the late member for Frontenac-Addington is not only worthy and merited but will be appreciated as well as approved by hon. members of all parties in this house. While it is true that Doctor Spankie owing to the recent date at which he was first elected and to his advanced years was a member of parliament for but a short time; while it is also true that largely because of an infirmity of hearing he participated but little in the debates of this house there could be no clearer evidence of the fineness of his personality and character than the fact that notwithstanding these handicaps he was able to impress both so greatly upon others. It should be recognized that after all, his years in parliament were but the crowning recognition of a long life of useful service to his fellowmen and to the country.

Doctor Spankie was a man who, above everything else, appeared to find his greatest joy in doing good, and in the service to others. The theatre of his public actions may have been circumscribed but there was inherent in the actions themselves the greatness which belongs to a reverence for the highest virtues. The choice of his profession indicated his sympathy with human suffering, and his desire to do what he could, in the course of his life, to aid in its alleviation. The Prime Minister has made reference to Doctor Spankie's interest in educational matters. The fact that he devoted so much time in the community in which he lived to the offices of school trustee and school inspector showed his desire to widen, by the surest method possible, the opportunities of the oncoming generation. The value which he attached to learning was also evidenced not only by his own university attainments, but by the fact that all four of his sons were given to the learned professions, two of them to the profession of medicine, and the other two to the profession of law. By his lifelong participation in municipal affairs as well as in dominion politics, he disclosed his belief in the importance of government in human affairs, and in the obligation resting upon those best qualified in their communities actively to share in public life. All were expressions of the many-sidedness of his nature, which found their unity in the desire of service for others.

The Prime Minister has referred to Doctor Spankie as belonging to that class of family physician which is rapidly disappearing, and of whom too little is known even in our rural communities to-day, the general practitioner who in former years played such an important part in the life of the community in which he lived. I am sure no one familiar with modern literature could read the accounts that to-day are being given of Doctor Spankie's services to his community, his visits in mid-winter to outlying districts, driving himself his faithful horse, incurring all kinds of personal risks to serve some human need, without recalling that immortal chapter in Ian Maclaren's "Beside the Bonnie Brier Bush," entitled "The Doctor of the Old School." In a Canadian environment, not wholly dissimilar, he resembled in many particulars Doctor McLure of the Scottish glen. I thought I would find something there which would be appropriate to say in memory of him who is gone. I have a passage here which I think, perhaps is appropriate in its application to him, but is, I believe, even more appropriate to those of us who remain. It is a paragraph with which Maclaren concludes his account of the doctor's last journey:

> After which the minister prayed, that we might have grace to live as this man had done from youth to age, not for himself, but for others, and that we might be followed to our grave by somewhat of "that love wherewith we mourn this day Thy servant departed."

On behalf of other members of the opposition and for myself personally I express to the Prime Minister and hon. gentlemen opposite our very sincere sympathy in the loss they have sustained, of so loyal and devoted a colleague; and I join with my right hon. friend in extending our deepest sympathies to those who by his death have been so greatly bereaved.

Mr. ALFRED SPEAKMAN (Red Deer): Mr. Speaker, on behalf of the members in this corner of the house may I associate myself with the right hon. Prime Minister (Mr. Bennett) and the right hon. leader of the opposition (Mr. Mackenzie King) in expressing our appreciation of the life and our regret at the death of our late colleague Doctor Spankie. Perhaps there is no gathering of men in which integrity of character and kindliness of disposition make themselves more effectually felt, seen and known than in this chamber. Both these qualities were possessed by Doctor Spankie. Because of that fact, and because at all times and to all

men, regardless of party, Doctor Spankie proved himself a friend, we join in regretting his passing and in expressing our condolences to those of his family who are left to mourn him.

BUREAU FOR TRANSLATIONS

Hon. C. H. CAHAN (Secretary of State) moved the third reading of Bill No. 4, respecting the bureau for translations.

Motion agreed to on division, and bill read the third time and passed.

MARKETING ACT

ORGANIZATION TO IMPROVE METHODS AND PRACTICES IN MARKETING NATURAL PRODUCTS

The house resumed from Monday, May 21, consideration in committee of Bill No. 51, to improve the methods and practices of marketing of natural products in Canada and in export trade; and to make further provisions in connection therewith—Mr. Weir (Melfort)—Mr. Hanson (York-Sunbury) in the chair.

On section 12, subsection (1)—Power to restrict importation.

Mr. GUTHRIE: During the interval since this bill was under discussion last we have drafted another clause which I think may meet some of the objections which were offered to section 12 when the bill was under discussion a few days ago. I will read the proposed new section, and submit it to hon. gentlemen for their consideration:

The governor in council may, by order or regulation, notice whereof shall be published forthwith in the Canada Gazette,—

(a) regulate or restrict the importation into Canada of any natural product which enters Canada in competition with a regulated product;

(b) regulate or restrict the exportation from Canada of any natural product;

(c) provide for the licensing of persons by whom any such natural product may be imported or exported;

(d) prescribe the forms of such licences and the terms and conditions upon which the same may be issued, renewed, suspended or revoked by the governor in council.

Under this proposal it will be noted that the issuing and rescission of licenses will be placed under the jurisdiction of the governor in council and not under the minister, as was provided in the section as originally drafted. I am sending a copy to my right hon. friend. I believe the language in the amendment meets with some and perhaps all of the objections urged by him on former occasions.

[Mr. Speakman.]

Mr. MOTHERWELL: This amendment is not included in the first batch, is it?

Mr. GUTHRIE: No, it is drawn only recently.

Mr. MOTHERWELL: I think that every day in every way this bill is getting a little better, and we are encouraged not to persevere too much but, at all events, to keep going, in order to make it even better. It is not much better, by this last amendment though, —not much, but just a little. I wonder if there could not be some explicit reservations. We know that the world is chock full of trade restrictions of all kinds, and this is one more added to a number which is already too great. This is a case of restricting trade first by prohibition, and then by restricting importation. Surely the government could at least tell us what this is for. What are they trying to do? Are they trying to blockade the trade of the country just a little more, or is some more useful purpose to be served? I can imagine a useful purpose which could be served. Low grade commodities, poor, bum live stock that we do not want in Canada could be kept out, and any provision with that in view would be a proper one. Then, there are some breeds of lard hogs which are not desirable. But to have an indefinite and indiscriminate restriction by a local board, the status of which we do not yet understand, is not surely right. We have done a great deal of gagging at some of the objectionable provisions of this bill, and I must say that this is one of the worst sections we have to yet swallow, or amend—for me, all events. Yet I can see sufficient good in it, if it is defined, to view it with some favour. But to make the provision without any reservation other than that now stated by the minister, one which makes it only infinitesimally better, does not seem to improve the major objection. I wonder if the minister could not help us out, and tell us what it is for. Personally, I believe it is to deal with some problems such as the butter question with which we were faced last year. We remember the importations of butter which were put into bond at Halifax and Vancouver, and held at those points until the market could absorb them. That would not be a bad reason for the change. But instead of leaving it as wide open as a barn door I suggest there should be some specifications which would make it at least more understandable and more commendable. Would the minister come to my relief in that regard?

Mr. WEIR (Melfort): In the first place, the power here indicated is not handled indiscriminately by the local board, but only

with the authority of the governor in council, and any agent appointed by them to undertake it. Within the past few years a system of quotas has grown up in different countries. Directly or indirectly, restrictions have been made, and as an example we have the restriction brought about through exchange. If, therefore under the new scheme any country with which we trade decides to limit its imports of products which we export, it will be necessary for us to have machinery to comply with such new conditions. Otherwise the tendency would be to dump the product on the market, with the disastrous effects respecting price which one might easily anticipate. Similarly it might be necessary to use the clause with reference to imports in negotiations with other countries in connection with treaties or trade agreements.

Mr. MOTHERWELL: Then this is a sort of weapon with which to negotiate. I was wondering if it could not be worked the other way, whereby instead of having the provision against our imports we could have a quota on the other fellow's exports, just as the practice is being worked against us. Would that not be the simpler procedure, because one can defend prohibiting exports much better than you can defend prohibiting imports, although both look bad.

Mr. WEIR (Melfort): If, as the hon. member suggests, we were to leave the provision in the form of a quota in the event of Denmark shipping her products into this country, unless we had the machinery to control imports, such provision would be ineffective.

Mr. MACKENZIE KING: As I read it, apparently the amendment eliminates one objectionable clause. I should like to know if I am right in my assumption. The clause to which I am referring formerly read:

> The governor in council may, by order or regulation published in the Canada Gazette,—
> (c) impose penalties for breach of any such order or regulation or of any licence issued thereunder, and, generally, make such provision or authorize the doing of such acts or things as may in his discretion be deemed necessary or expedient for giving full effect to any orders, regulations or licences made or issued hereunder.

It appears to strike out the power to impose penalties, but on second thought I assume that the last clause in the amendment, to "prescribe the forms of such licences and the terms and conditions upon which the same may be issued, renewed, suspended or revoked by the governor in council" may mean that the governor in council may still impose penalties for any breaches of the section. Is that right?

Mr. GUTHRIE: There is power in the measure to impose penalties for the breach of any section.

Mr. MACKENZIE KING: Yes. The section as it now stands means that the governor in council is to have the power to restrict the importations into the country and to restrict the exportations from the country of any regulated commodity the governor in council may wish to have so restricted. I say "any commodity" because another clause gives to the governor in council power to make any commodity coming within the definition of natural product, a regulated commodity, and this clause gives to the governor in council the power to require a licence with respect to the importation of or exportation of any regulated commodity.

The first exception I wish to take to this section is that it treats both exports and imports in the same way. Hon. gentlemen opposite have given certain reasons why some commodities should not be permitted to come into the country at certain times. They have not thus far given any reasons why commodities should not be exported from Canada, other than to oblige those nations which may have prohibitory tariffs or quotas against us, and to help to meet those prohibitions. It seems to me that is a mistaken attitude to take. People who are producing commodities know better than any other people where opportunities for their sale may lie, and what prohibitions they are likely to encounter. I think they might well be left to look after themselves in that regard, and should not be shouldered with the additional liability of having the government prohibit their exports. Such liability would be in addition to the prohibitions against the admission of their exports which might be made by certain countries. In the second place, this measure does not follow the British act in its essential provisions. The British act permits certain restrictions on the importations of regulated commodities, but it has nothing whatever to say of restricting exports. So far as I have been able to read both British acts dealing with marketing it would seem that they allow the producers and shippers and others concerned with the export of commodities the freest latitude.

Mr. GUTHRIE: They do not export any agricultural commodities. There is no necessity for doing so.

Mr. MACKENZIE KING: I cannot agree with my hon. friend when he states that they do not export agricultural products. But this measure includes not only agricultural products but the products of the forests and the lakes, rivers and seas. My hon. friend would hardly say that there are no products of the sea exported from Great Britain, although in Canada such products could be absolutely precluded from export if the governor in council wished so to direct.

Mr. GUTHRIE: Their act deals only with agriculture if I understand it correctly, and they have never exported agricultural products so far as I know.

Mr. MACKENZIE KING: My statement remains true that they have not tried to regulate exports in Britain in regard to any commodity.

Mr. GUTHRIE: Because there is no necessity.

Mr. MACKENZIE KING: And I do not see why we in this country need to begin to restrict exports. That brings us, it seems to me, to the fundamental criticism of this measure. It aims not at regulating trade but strikes at the very heart of the primary industries of this country, namely, the production that comes from the primary and basic industries. This country is dependent on its basic industries above all else, and the greatest freedom should be allowed in the production and distribution of our natural products. But this bill goes the length of seeking to limit the production of natural products by a regulation which will be carried out through ths instrumentality of licensing. Licensing simply means that producers will have to comply with whatever the governor in council wishes to lay down as conditions upon which exportation can take place. That I think is a very serious departure in the whole business of legislation respecting the trade of this country, and should not be countenanced because it may lead anywhere.

I come back to what I said a day or two ago, that I believe this desire to limit production and trade through the instrumentality of licensing exporters and importers is part of a broader plan which aims, and in the future will be seen to aim, at the regulation of trade within channels within the British Empire at the expense of world trade. The Minister of Agriculture said that I had a vivid imagination when I made the statement that the government might wish to restrict trade in a manner which would cause it to flow in channels within the British Empire, even if such were at the expense of world trade. But I find that exactly that kind of policy is being set forth in different parts of the British Empire as the policy which certain governments should adopt.

I have in my hand a dispatch from London dated May 17, which appeared in the Ottawa Citizen of May 18 of this year, entitled, "Twofold policy now announced by Chamberlain. New world trade policy to which British government adheres outlined by Chancellor of Exchequer." The dispatch reads:

> London, May 17.—The new world trading policy to which Premier MacDonald's government now adheres has just been officially announced by Chancellor of the Exchequer Neville Chamberlain.

A little further on:

> The British cabinet has decided to develop a twofold policy in future of expanding the home market and developing inter-imperial agreements based on those of the Ottawa conference.

A little further on:

> Our main preoccupation will be domestic trade expansion and extension of the Ottawa pacts to the utmost. With such an object in view the British government intends to initiate a series of consultations with overseas premiers.

A little further on:

> Since the great slump began there has been a cessation of all foreign lending but lately representations have been made to the treasury to lift its ban on such loans. It is unlikely in view of the government's announced trade policy this will now be done.
>
> Meanwhile the dominions will benefit. They will have full access to the London financial market.

In other words, there is distinctly set forth by the Chancellor of the Exchequer in Great Britain an imperial trade policy and an imperial financial policy, each of which seeks to regulate both trade and finance within the British Empire I shall not be surprised if, when we come to consider further the banking legislation in this house we will get still further evidence of the fact that it too is being fashioned by the government to accord with imperial policies of trade and finance.

In order that there may be no mistake about such a policy not being confined to Britain alone, let me make mention of a speech which hon. members no doubt either heard at the time or have since read which was recently made by the Prime Minister of Canada, in which he too dealt with the trading policy of his own administration. He defined it as a trading policy sealing empire unity. I have in my hand the account of the address

to which I refer, as it appears in the Ottawa Citizen of May 24. It was made by the Prime Minister on May 23 of this year when the Prime Minister was responding to the toast of Canada at the Royal Empire Society's annual banquet at Montreal on the night of the twenty-third instant. The dispatch has the following:

> Speaking of the loyalty of empire peoples to the crown and the ties that bind the family of nations within the commonwealth, Mr. Bennett urged the necessity of evolving a common foreign trade policy which would seal and perpetuate the unity.

At that same gathering addresses were delivered by the trade commissioners from Australia, South Africa, New Zealand, the British West Indies and Bermuda. I have not any objection at all to the government having as its policy in matters of trade, an empire trade policy, but what I do take exception to is their lack of frankness and candour in not coming forward and saying that such is exactly what they have in mind. Instead of doing that they place on the statute books an act, under the guise of a measure to regulate marketing, which in reality so long as it contains the sections that we are discussing at the moment may be used, and I believe is intended to be used, to restrict exportation from this country of natural products where it may serve this imperial trade policy so to do, and equally to restrict imports into this country where it may serve this imperial trade policy so to do.

For my part I believe that what is best for Canada in the matter of trade is a world policy. I believe that as we build up our trade with all the nations of the world so will we build up a stronger Canada, and to that extent a stronger empire in virtue of Canada being a constituent element thereof.

There is another exception Mr. Chairman, I wish to take to this section, and to it I wish to take very strong exception. It is that here again is a move to deprive individuals of their rights and their liberties at the instance of an arbitrary tribunal, and without permitting the redress which the courts of the land should be in a position to afford. That kind of thing has become so common in this country that it has already been commented upon by members of the judiciary, who are in an exceptional position to judge of infringements of the rights and the liberties of the individual. I have heard hon. gentlemen opposite say that if proceedings are to be begun under the provisions of the law which impose fines and penalties they will have to be taken in a court of the land where those affected will have all the protection which the law affords, and where they will not be deprived of their rights and liberties without due process of law. This section, however, says nothing whatever about any right of appeal to courts, only that the governor in council may determine who may import and who may export, and that he may do so by issuing licences, also that the governor in council is to determine under what conditions the licences are to be granted. I say that the moment a man is unable to secure a licence to import or a licence to export that very moment he is deprived of some of his rights and liberties, and according to this section if deprived he has no redress in the courts of the land because it is the governor in council who alone provides for the licensing and who alone determines what natural products may be imported or exported, and prescribes the forms of such licences and the terms and conditions upon which they may be given and revoked.

I referred last week to the important work by Lord Hewart the Chief Justice of Great Britain entitled The New Despotism, which takes exception to this depriving of individuals of their rights and privileges and liberties by arbitrary action on the part of boards and councils, whether they be the governor in council or some other general or local boards, without the safeguarding of those rights and liberties by the kind of protection which the courts have been created to afford. I desire to quote now from a chief justice of our own country. I have in my hand a copy of a very notable address which was delivered by the Chief Justice of Ontario, the Right Hon. Sir William Mulock, a short time ago, at a dinner which was given in his honour by the Bar of the province of Ontario. Sir William Mulock has had exceptionally wide experience in the matter of legislation, and I do not think he can be accused of being other than a true friend of the farmers of this country. In this parliament he was always a champion of their rights. For twenty-three years the Right Honourable Sir William Mulock was a member of this House of Commons; for nine of those years he was a minister of the crown; for twenty-nine years he has been a judge of the High Court, during which time he has been Chief Justice of Ontario for eleven years. I submit that anything said by the Right Honourable Sir William Mulock with respect to legislation and its effects is deserving of very careful consideration by the Parliament of Canada. I quote from Sir William's Speech as reported in the Canadian Bar

Review of January, 1934. At page 38, he is reported as follows:

I desire to bring to your attention a subject of the greatest importance, one which concerns the liberties, the rights, the happiness of every citizen in Canada, and the welfare of Canada itself.

I refer to the ever-increasing practice of the parliament of Canada and of our provincial legislatures of depriving our people of the protection of the law and of the courts, by vesting in autocratic bodies the power to arbitrarily deal with matters affecting our liberties and other rights without the intervention of any court.

I wish it clearly understood that the views to which I am giving expression have no reference to the actions of any one political party, but are intended solely as an abstract criticism of the practice of legislatures in shutting the doors of the duly constituted courts of justice against any citizen, rich or poor, high or low, whatever be his position in the community, and leaving the decision of his legal rights at the mercy of any non-judicial body, often ignorant of the law, bound by no no law, free to disregard the evidence and the law, and practically at its own will, to dispose finally of his rights.

Most people in Canada are of opinion that everywhere throughout the land the rule of law prevails and is sovereign guardian of their rights. It is not so.

For long years legislatures have encroached upon many of the people's most sacred rights, deprived them of the protection of the courts of justice, and conferred upon commissions, public officers and other irresponsible bodies the power of arbitrarily determining the people's rights.

To this situation all political parties have contributed; and the fact that the people generally have acquiesced in such legislation indicates an alarming indifference of the people themselves to the public safety.

I think I am safe in saying that there are literally many hundreds of boards and officers in Canada to-day authorized to exercise arbitrary power in dealing with the liberty and property of our citizens, and that free from any right of our courts to review such decisions.

Many of these boards are not bound by their previous decisions; are free to put their own construction on the common law and the statute law; to revive the star chamber method of conducting their proceedings behind closed doors, and to give no reasons for their decisions; the wronged suitor being left without redress.

This legislative invasion of the people's rights is continuing with ever-increasing momentum, and will undoubtedly continue until an aroused public opinion teaches the people's representatives that the spirit of John Hampden still lives and demands the restoration of the people's rights, and regards every representative who fails to resist arbitrary legislation as an enemy and a traitor to Canada.

That is not the comment of someone participating in a debate in a partisan way or from partisan motives, it is the deliberate and carefully expressed statement of a distinguished and revered chief justice of our country. I submit that its admonition applies immediately to what is being attempted in the section which we have before us at the present time. The section as originally drafted left the issuing and cancellation of licences exclusively with the board. The Minister of Justice (Mr. Guthrie) evidently has recognized that that was indefensible, and has sought to bring the matter within the control of the governor in council. May I point out to him that the governor in council conducts his operations behind closed doors, that the governor in council may be just as arbitrary as any other tribunal and not infrequently is most arbitrary. When, as regards imports and exports, it is left to the governor in council to say who is to be licensed and who is not to be licensed, without this parliament having indicated in advance the limits within which the governor in council shall act in a matter of that kind, it is a very distinct invasion of the fundamental rights of the people. When that invasion affects the rights of producers and consumers it is invading pretty well the rights of all classes in the country. It is to this aspect of the section that I wish to take the strongest exception.

With respect to exceptional occurrences which may arise and to which reference was made a few days ago by the minister, I can see every reason why a statute might be so framed as to make provision that in certain exceptional circumstances and to meet certain needs, of which parliament would be informed immediately, the governor in council might have authority to take action of an exceptional nature. That is all right, but this is not for action of an exceptional nature, it is conferring a general power on the governor in council to be exercised at any and all times, and that I think is entirely wrong.

May I make mention of another circumstance which I believe to be vital. Hon. gentlemen opposite have said at different times that the British government take certain rights and have certain powers and authority given to them. They argue that we ought to follow that example and that our government should have similar rights. I would take no exception to that as respects the present bill if the measure contained, as does the British legislation, all kinds of safeguards against arbitrary action framed in the interest of consumers as well as producers. We would then have a very different measure from that which we have here. The point, however, which I wish to bring out at the moment

is this: The British parliament is in session practically the year round and the statutes in Great Britain require that as soon as any action is taken under any of these measures, it is to be reported immediately to parliament, or if parliament be adjourned as soon after its reassembling as possible. All action taken by the British government and by local boards under its legislation must be reported to both houses of parliament. With what result? You have parliament practically continually exercising the fullest supervision over any orders in council which may be passed by the King in council, and over regulations by any minister of a department. Here in Canada the time during which parliament is in session is much shorter, and it is during the period when parliament is not in session that we may expect the governor in council to be passing the various orders to which strong exception is likely to be taken. For these reasons I feel that this section should not be permitted to pass. I believe, if enacted, it will work unexpected hardship in a multitude of directions. In saying that, I repeat once more that if the government need exceptional power for exceptional purposes a section could be drafted and passed by this parliament which would give to them all that is required to meet any emergent situation.

Mr. MOTHERWELL: There does not seem to be any reply from the minister. I wish to associate myself with my right hon. leader (Mr. Mackenzie King) in all that he has said. He has said much better all that I wanted to say myself. Something might be done to provide for exceptions instead of having a general rule like this. The government sometimes answer us by saying they will use good judgment, but what kind of judgment have they shown in getting this bill through? What kind of experience have they seemed to have? Every move has been a new blunder and if the bill is administered in the same way, it will not be wisdom they will be showing, it will be the blundering they have shown all along. I have no desire to get out of patience but I am pretty nearly fed up with their trying to make a good bill out of a monstrosity. I sometimes feel like telling the minister and the government to take their blooming bill, assume full responsibility for it and do with it what they like—what Paddy did with the sixpence.

There is one suggestion I should like to make. We might finish with this bill and then leave it in committee till it is reprinted. This might be done in order that there would be no delay with the legislation now pressing on the house or in the offing. I have made this suggestion before and I should like the minister to give us his assurance that if the bill went through now we would at least have a look at it first before leaving the committee stage. If it were reprinted before it went out of committee, I think that would be only fair. I suggest that instead of moving it out of committee, immediately we have reached the last section, the minister have it reprinted, because there must be a good many other matters to be dealt with with which so far the minister has not dealt—sections that are standing. We have had a clarification list of eighteen sections, and now we have had further clarifications of the clarifications, and I should not be surprised if we had another set of clarifications—a clarification of the clarifications of the clarifications. I think it would be a mercy to the government as well as to the rest of us if they would take a day to have it published. Let us look it over to see what it looks like, so that we may get all this patchwork together in the form of a bill. Surely that is not an unreasonable request. We do not want to go to the third reading stage without having all this patchwork put together, because that would necessitate moving that the bill be referred back to the committee, and as far as I am concerned, speaking for myself I do not want to do that. Would the minister entertain that suggestion? Let us get it through somehow and let it stand until it is printed so that we may have a look at it before it reaches the third reading stage, before it goes out of committee. The Minister of Justice knows that that is a reasonable proposal.

Mr. WEIR (Melfort): With reference to the remarks of the leader of the opposition, I did not rise to make any reply because I could see, in what he said, nothing that had not already been replied to. His imagination, and particularly his suspicion, has lost nothing as a result of his rest over the weekend. I made it as clear as I could make anything, with my limited knowledge of English, that in the preparation of this bill there was no intention of putting it to the use which the right hon. gentleman suggested would be made of it in connection with empire trade—the use which he said was the chief principle of the bill. To-day he repeats that he still believes it is intended to use the act based upon this bill to restrict trade with foreign countries for the purpose of increasing trade, or of directing the channels of trade, throughout the empire; and he also states that an endeavour is being made seeking to limit production.

I cannot understand why the right hon. gentleman, from the time the bill was introduced until the present moment, has persisted in reading into it, as one of its chief principles, the limiting of production, unless the reason is that having read that principle into the bill the first time it appeared before the house he feels it incumbent upon him to substantiate that assertion, repeated at least fifteen times in his original speech, with respect to what he considers to be the purpose of this legislation.

Let me repeat briefly now what I have stated before, and let me try to make it if anything clearer on this occasion. No government in any country would pass legislation to restrict the export of primary products or of any of its commodities to any other country of its own volition; but we must remember that other countries are imposing quotas against imports into their territory. For example, Great Britain might at the beginning of the year limit the exports of our cattle to the United Kingdom to 20,000 head for the year, let us say for the sake of illustration. Now, we have no say in that regard. But if the British parliament did pass such legislation it would be necessary for this government to have certain powers over exports to regulate the flow of that commodity out of this country into the United Kingdom; otherwise there would be a tendency on the part of those whose business it was to export cattle or to raise cattle for export to throw as many as they could on the old country market, and to do so immediately. And the old country would accept them until the quota had been filled. Then there would be an unnecessary glut of the market in Canada. And the throwing upon the British market at one particular time, and in a short space of time, of that number of cattle which we were allowed in our quota would be disadvantageous to our producers.

We do not know in that connection what action may be taken by any country to set up quotas, because I am told there are restrictions in trade, through the instrumentality of quotas, in more than twenty different countries, practically all European. France perhaps has come out more decidedly than any other country in the use of quotas as such to control trade, using them as an instrument of negotiation with other countries.

Here I should like to remind the leader of the opposition of something which apparently he has lost sight of completely. I believe that one of the greatest obstacles in Canada to the negotiation of trade with other countries is the most favoured nation treaty introduced and put into practice by the government which the right hon. gentleman himself led; because as soon as any country offers to negotiate, or as soon as we approach another country with offers of negotiation, we find that we are tied to so many other countries that we are obliged to make similar arrangements with them. I have therefore no hesitation in saying that one of the greatest obstacles to the widening of our trade the world over through negotiation is this very treaty for which the government led by the right hon. gentleman himself was responsible.

I see nothing to be gained by the reprinting of this bill before the third reading. We have spent enough time on it, and every member of the committee should know it almost by heart.

Mr. MACKENZIE KING: With regard to my hon. friend's last remark, I think that if the minister will look up his own utterances, or those of some of his colleagues, he will find that an undertaking was given earlier in the discussion that the bill would be reprinted for the third reading. The minister is saying now that he will not concede that.

Mr. WEIR (Melfort): I said it would be printed for the third reading.

Mr. MACKENZIE KING: I thought the minister said it would not be printed for the third reading.

Mr. WEIR (Melfort): Before the third reading.

Mr. MACKENZIE KING: We wished it for the third reading. The minister says that he said it would not be printed before the third reading; I do not think that was what we heard. However, there is no difference between us if we understand that the bill will be reprinted and that we shall have an opportunity of looking it over before being asked to vote on the third reading.

With respect to what the minister says as to the use to which this measure may be put, namely to meet in the way he has indicated a situation that may arise in Great Britain, I take no exception. I will admit that he may use the measure as a means of helping to meet certain situations as they may arise, and in the way he has suggested. But I would point out with deference that he himself may not always be the minister; and even if he is, he may find himself subject to cabinet policies much broader than those of his own department. Indeed, the very clause which he says will be used in one way is equally capable of being used in quite another. I shall

illustrate. I will take the very example suggested by the minister. The minister says, assume for example that there are certain restrictions on cattle going to the British market. These would naturally be annoying to our producers. He then said, we can prevent certain shippers shipping all kinds of cattle, we can have regard for this provision and see that only certain classes are shipped. But is it not also possible that the government, seeing what the British government has done, may begin to follow a policy quite other than that which the Prime Minister has just laid down, namely the policy of making tariffs fight for the producers; and when the British government begins to restrict importations from Canada, immediately retaliate or threaten retaliation by restricting what in the way of imports may come in from Great Britain to Canada? Under this clause, as I read it, the government have the power of beginning a species of economic warfare between different parts of the British Empire, to say nothing of between Canada and other parts of the world, a species of economic warfare which may be wholly ruinous to inter-Imperial trade as well as to trade in general. I think that possibility is there, especially when the Prime Minister himself, has elsewhere declared that part of his policy is to make tariffs fight for us. You have there a very clear assertion that some power is needed which will enable the government here—it would not be parliament, it would be the governor in council probably when parliament is not in session at all—to stop altogether certain importations into this country. I think parliament ought not to permit the possibility of any such thing, but parliament cannot prevent that possibility unless now, while it has the opportunity, it refuses to enact a clause of this kind.

Before the Minister of Justice (Mr. Guthrie) goes out, apropos of this provision, which here carries regulation to the extent of prohibiting imports altogether, may I ask the minister if he will tell us what has caused him so completely to change his whole point of view with respect to the excessive paternal regulation of trade. I have in my hand a statement made by the minister himself, on June 8, 1926, over so small a question as that of grading eggs. The Minister of Justice at that time waxed very eloquent with respect to a bill brought in simply to regulate the grading of eggs. Let me read what he said:

> I submit, Mr. Speaker, that the whole system is wrong. Surely we can continue the open market system.

Well, this is not the open market system, this is a proposal to let the governor in council close the markets, both import and export. However, let me go on:

> If you are going to grade eggs, why not grade other produce? Why not grade butter, fruit, potatoes and other vegetables, that are bought on the market? Why compel the farmers to undergo this grading system only in regard to their eggs? I say, Mr. Speaker, that it is an imposition upon the farmers of this country, and more particularly it is an imposition on the wives of the farmers. No injustice has been done in the past under the old system. Both purchaser and vendor have been satisfied with the old open market system, where the good old doctrine of "caveat emptor" —let the buyer beware—prevailed. Under that system the purchaser got the eggs he bargained for, and the vendor was satisfied with the manner in which his eggs were sold. But these regulations are carrying this paternal idea in government to excess.

If that was true in regard simply to the grading of eggs how can the Minister of Justice to-day justify a paternal system which may possibly preclude altogether either importation or exportation of certain commodities?

Mr. GUTHRIE: In those days I thought egg-grading was a great nuisance, and I think it is yet. But there was a more serious objection than that; this parliament had no right to pass such a law, and the courts set the law aside. Until the provinces took it up and passed legislation egg-grading was not enforceable.

Mr. MOTHERWELL: Well now, I was not intending to allude again to that cruel joke we had on the Minister of Justice, because he took it so nicely. But it did pass the courts by us getting the necessary enabling legislation in seven provinces out of nine.

Mr. GUTHRIE: I said so.

Mr. MOTHERWELL: Stockyards and the grading of hogs were in the same category. But before we took that extreme measure we had to try the other way first. That was not the ground or objection my hon. friend took against egg grading.

Mr. GUTHRIE: I condemned it as a nuisance, and I do yet.

Mr. MOTHERWELL: Your constituents do not think so.

Mr. GUTHRIE: Well I thought so, and I do yet.

Mr. MOTHERWELL: Well it is a cruel thing on my good friend to open that up.

Mr. MACKENZIE KING: It is the paternal idea in government.

Mr. MOTHERWELL: He was up against it so badly he has been blushing ever since about it. Anyhow, Mr. Chairman, I would like to ask the minister a question. There was some talk by the Prime Minister about being mercenary, that there was nothing mercenary in the government. Well there never was a request made by my predecessor to let a bill or a section or a vote on the estimates stand while the member was away but it was granted, but I cannot get the least thing of that nature from this minister, not as much as you could fill a thimble with. I wonder if he can tell us this? If an order of the kind that we are discussing is passed, as a result of a scheme for the regulation of some product, say in Prince Edward Island, silver fox pelts or anything of the kind—they are not regulated in the province now, but they may be at any time—if such an order is passed and the government meets the situation by taking steps to stop the competition of a similar commodity coming into the country, potatoes or anything you can imagine, will this order, made on the petition if only of a part of Canada, extend right from Prince Edward Island to Vancouver, in jurisdiction or will it be circumscribed by the area of the regulated product?

Mr. STEWART (Edmonton): This is for export.

Mr. MOTHERWELL: No, it is imports we are on now.

Mr. MACKENZIE KING: Section 12 covers both.

Mr. MOTHERWELL: Well, I do not care which way it is, will an order that is an outcome of a marketing scheme got up by a locality or province be national in its effect, extending from the Atlantic to the Pacific?

Mr. WEIR (Melfort): As it reads it has to do with imports into Canada, and I would take it to mean that it would be a national order, covering exports and imports.

Mr. MOTHERWELL: Then we have the spectacle of a marketing scheme for a small locality determining the export and import policy of all Canada. Did you ever hear of the like? I think we should let this thing go, if we desire to hurt the bill.

Some hon. MEMBERS: Carried.

Mr. MACKENZIE KING: One moment. There is one other objection to this clause I desire to raise, and then if the committee wish to pass it, well and good. It is that this provision is but a part of the government's policy of scarcity, of promoting scarcity instead of plenty; a policy that has been strongly denounced in different parts of our own country, and where it has been attempted in other countries as well.

Mr. WEIR (Melfort): So that we may have the benefit of the right hon. gentleman's opinion, would he explain how anything in this section or in this bill has for its purpose a policy of creating scarcity? As I have stated, this has to do solely with orders of governments outside of this country, over which we have no control.

Mr. MACKENZIE KING: Well the whole bill is one relating to curtailment through licensing.

Mr. WEIR (Melfort): Not of production.

Mr. MACKENZIE KING: It does not mention the word production. Here again I wish to take exception to the government's method of proceeding. They have referred over and over again to the British marketing legislation and said, we are proceeding along lines similar to the British marketing legislation. But if one looks at the British legislation one finds that it refers from beginning to end to production. In Britain they face the question squarely and say, production may be limited. But this government has not the courage to say it is restriction of production, they say they are simply restricting importation and exportation and trade. I ask again if it is not a fact that you cannot restrict the sale of particular commodities, either the importation or exportation, without that inevitably acting upon and restricting production? That is the whole purpose, that is the whole purpose of licensing.

Mr. WEIR (Melfort): Is not the right hon. gentleman in what he has already said advocating that we do adopt a policy of restricted production? Because he quotes the British act as providing for a restriction of production.

Mr. MACKENZIE KING: The British act speaks about production. If my hon. friend will safeguard this legislation with the safeguards the British have thrown around their legislation, then I would be prepared to give him my support. The British act, first of all, takes care to see that different departments of the government are involved in any restrictions that may be imposed. In the second place, as I have already pointed out, the British act deals solely with imports and not

with exports of any kind. In the third place the British act provides that all legislation under that measure, before it can be of any force or effect at all, must receive the approval of both the House of Commons and the House of Lords. This act does not require anything of the kind; as has been said over and over again, its whole purpose is to get away from the House of Commons and the Senate and to allow the governor in council to do as he pleases with respect to the power given him under this legislation.

Take a specific example; assume that for some reason the government thought there were too many potatoes being grown in Canada. All the government would have to do would be to pass an order in council setting forth that in their opinion the total quantity of potatoes should be so much, and that in order to produce potatoes licences would thereafter have to be obtained by all potato growers which licences would set forth how much by way of the production of potatoes they would thereafter be permitted. The minister cannot say that that power is not in this bill. He may say he does not intend to use it in that way, but so long as it is there it can be so used. What is true of potatoes is true of every other natural product, whether it be a product of agriculture, of the fisheries or of the forests. The minister states that this act is going to be used as a means of combating embargoes and prohibitions in other countries, I can see that it will not be very long before under the guise of regulating trade, it will be used as a first class instrument of economic warfare through the imposition of prohibitions, quotas and other restrictions against countries that may adopt a similar attitude towards Canada.

Before we go in for a policy of that kind, it should be clearly sanctioned by this parliament, that we should not at this time put the House of Commons in a position where it can be said later on that the house consented to the governor in council having a power of the kind. The policy of scarcity is the base offspring of those base policies of economic nationalism and economic imperialism which are rampant in different parts of the world, and which are now being adopted in our own country; policies which everyone denounces when he speaks of what is at the bottom of the world's ills to-day, but which, apparently, no parliament is seeking to throw off, or at all events combat in the open way in which they should be combatted. We find one country destroying its coffee, another destroying some of its live stock, a third destroying something else; we even find our own government entering into agreements—without the consent, the knowledge or the authority of this parliament—limiting the total amount of wheat that can be produced in the country or sold abroad.

That is the kind of thing I mean when I speak of a policy of scarcity. It is not only individuals in this parliament who feel aroused and riled about it; those in other walks of life who are most concerned with the well being of our citizens are beginning to protest openly against this vicious policy which aims at scarcity of production rather than at plenty. When I spoke on the address I was taken to task by the Prime Minister because I made a reference to the prayer book of the Anglican church. What do we find the Very Rev. Dean Riley saying, in the cathedral in Hamilton, as to the policy of scarcity? Let me quote a dispatch I hold in my hand:

> "It's a damned blasphemy and I use these words advisedly," stated Very Rev. C. E. Riley, B.A., D.D., Dean of Niagara, in a trenchant attack on the present system of distribution before a large congregation at the 92nd annual service of St. George's society of Hamilton, at Christ's Church cathedral last night.

That appears in the account of the Hamilton Spectator of April 23, and the report goes on to quote the dean's very strong denunciation of what he refers to as this business of legislators trying to limit production when they ought to devote their efforts to seeing that production is more plentiful and that there is a better and wider distribution. Let me quote the following comment upon the dean's utterances which appeared in another Hamilton paper the Hamilton Herald of April 26. It is as follows:

> The outburst of the Very Rev. Dean Riley on Sunday evening may have shocked his audience, but the shock was nothing to what the people of the dominion have felt who are directly concerned with the results of the policy he denounced.

That is not an opinion quoted in England; that is the opinion of the dean of a cathedral in Hamilton, speaking of policies as he sees them in Canada at the present time.

> His position was a reasonable and logical one. The Anglican church in its comprehensive litany and collects leaves little in human affairs out of consideration.
>
> The prayers for harvest bounty and for happy seedtime are thoughtful and natural expressions. We pray to God "that it may please Thee to give and preserve to our use the kindly fruits of the earth so that in due time we may enjoy them"; and again—"Increase the fruits of the earth by Thy heavenly benedictions; and grant that we, receiving Thy bountiful liberality, may use the same to Thy glory"; and again—"We give Thee humble

thanks for this Thy special bounty, beseeching Thee to continue Thy loving kindness unto us; that our land may yield us her fruits of increase, to Thy glory and our comfort."

Surely the dean was justified in using the strongest language about those who profess to honour God and then deliberately take away from His children the opportunity of enjoying the kindly fruits they have prayed for; and all merely because they are not wise enough to plan for plenty, and too ignorant of the methods of commerce to do anything but blockade the traffic of the world.

That is what hon. gentlemen opposite are doing by this legislation, blockading the traffic of the world. This bill seeks to give power to the governor in council to control imports and exports as he pleases. In this very city, within the last week, while this House of Commons was debating this very question, another prominent divine gave utterance to words very similar. He happened to belong to a different denomination; I refer to Reverend Robert D. Whyte, former minister of Knox church in this city. I have in my hand the report of an address which the Reverend Mr. Whyte gave on May 22. In it I find the following:

"It is utterly fallacious and the wildest kind of insanity for Brazilians to burn their coffee, for New Zealanders to drive their sheep into the sea and for governments to drive farmers to keep acres out of production.

You could not get a more pointed statement in opposition to legislation such as that before us at the moment.

Mr. COTNAM: Is he an authority?

Mr. MACKENZIE KING: I fear he is a much better authority than my hon. friend; he speaks in a very disinterested way for the general public. He is not supporting a government as a party man, in connection with a party measure.

Mr. COTNAM: For whom are you speaking. Are you not supporting a party?

Mr. MACKENZIE KING: Here is what the Reverend Mr. Whyte further says:

"Our statesmen must be in a fog and incapable of finding their way out," he continued. "I don't know how such men go to church at Thanksgiving to thank God for the earth bringing forth its increase." . . . "People are asked to go to the polls to vote to keep things out and statesmen meet to limit production. There ought to be an answer to such an incongruous absurdity, yet last year a plague of grasshoppers instead of being a catastrophe was hailed as a blessing."

It is to that sort of thing that the people all over the country are taking exception. I venture to say that until this year, we in this parliament never heard a minister of the crown advocate a policy of limiting production. It has been slipped in and along, one stage at a time, and now we have reached the point where the government demand the right to do as they please with regard to the restriction of imports and exports. I say that power never should be given to any body other than parliament itself. I believe, moreover, it is a power to which the governor in council has no right. The constitution of the country gives this parliament the sole control of trade and commerce. It does not provide that a body subordinate to this parliament shall be placed in a position superior to it. The trouble with the whole of this legislation is that it takes a number of subordinate bodies, tiny little local boards to begin with, then provincial boards and the board to be created by the governor in council, and finally the governor in council himself, and confers on all these subordinate bodies powers of legislation which are superior to those retained by parliament for itself. That is all wrong. That is contrary altogether to the sovereignty of parliament and the rule of law, and should not be countenanced for one moment.

Mr. TURNBULL: One thing certain, whatever the reverend gentleman from Hamilton said or did, he did not parody the Prayer Book. The action of the right hon. leader of the opposition, in quoting the dean in support of his own actions is going pretty far. With regard to the reverend gentleman from Ottawa. I have no doubt that he was misled by one of my right hon. friend's speeches. Having taken the whole of his evening reading the speech, he had not time to read the other side of the story; consequently he got into trouble.

The right hon. gentleman says we are following a policy which will promote scarcity. He has said no Liberal minister of the crown ever advocated in parliament the principle of restricting or of lessening production. I wonder if the Hon. Charles A. Dunning was speaking for the government when he said what I shall quote. The statement to which I shall refer is reported in the Regina Leader of June 13, 1930, and appears on the first page of the second section of the paper. Mr. Dunning was at that time addressing a meeting of the Regina Women's Club, held at the home of one of the citizens of the city of Regina and, speaking of conditions at that time he said this:

At present there is more than is needed in the world of the principal basic commodities. There is too much wheat, coffee, steel. There is a greater capacity for production of the needs of humanity than people can buy and

pay for. Nowhere is this more true than in the United States. Production must lessen until consumption catches up with it. That period will be a difficult and hard time.

I ask my right hon. friend this question: Was the Minister of Finance in his government speaking for the government when he made that statement?

Mr. MACKENZIE KING: Most certainly not. And if he were speaking for the government he was simply making a general statement about world conditions, and was not setting forth any policy on behalf of the government.

Mr. TURNBULL: It is a new theory in government when we find that the Minister of Finance does not speak for the government.

Mr. MACKENZIE (Vancouver): What about the Minister of Railways in the South Oxford by-election?

Mr. MANION: What did I say?

Mr. MACKENZIE (Vancouver): With regard to lowering interest rates.

An hon. MEMBER: Keep quiet.

Mr. MANION: I stand by those remarks.

Mr. TURNBULL: Especially when he is doing it in the middle of an election campaign, and is proposing to put forward the policy of the government.

Mr. MACKENZIE (Vancouver): So was the Minister of Railways.

Mr. TURNBULL: And, in connection with the suggestion that he was talking about general world conditions, may I say that one of the particular commodities he mentioned was that of wheat. If my right hon. friend will pursue the speeches of the Hon. Mr. Dunning made about that time he will find that his minister discussed wheat, specifically, as being one of the difficulties. In fact, in his budget speech of May 1, 1930, he made the statement that our exports to Great Britain had decreased in the past fiscal year by $148,000,000, most of which was attributable to grains, that our exports to the continent had decreased by $80,000,000, and that exports of grain to the continent had decreased by $81,000,000. He seemed to be very much worried about the world situation.

Mr. MACKENZIE KING: May I interrupt my hon. friend in order to make my position clear? I take no exception whatever to the government giving all that it possibly can by way of information to the public, and acquainting the public as fully as possible with all the facts it should have. That is an entirely different thing, however, from the government assuming the paternal attitude here intended and determining for the people what they are to do once they get the information.

Mr. TURNBULL: I do not know what the Minister of Finance of that day meant when he told the people that production must lessen until consumption catches up.

Mr. BROWN: Did he propose legislative action?

Mr. COWAN (Long Lake): He meant what he said.

Mr. TURNBULL: He did not get a chance to put legislation into effect, and if he had come into office in 1930 and introduced the legislation the hon. member for Lisgar would have been the first man to get up in his seat and vote for it. We heard something also with regard to making agreements restricting sales of wheat. Although this matter has not much to do with the clause under discussion, may I say that the agreement provided for a Canadian quota of 200,000,000 bushels. If the right hon. gentleman would look up the record of our export to the world in the crop year of 1929-30, which closed on July 31, 1930, along with the term of office of the right hon. gentleman, he would see that the last crop year synchronized with the last year of office of the right hon. gentleman, and would find that the export of wheat for the year amounted not to 200,000,000 bushels, but to 155,000,000 odd.

Mr. YOUNG: What were the figures for the year before?

Mr. TURNBULL: Do not worry about the year before.

Mr. YOUNG: They were the biggest we ever had—370,000,000 bushels.

Mr. TURNBULL: Why did you lose it? If Canada had a market for 370,000,000 bushels in 1929, why did she not have a market for 370,000,000 in 1930?

Mr. BROWN: You tell us why.

Mr. TURNBULL: Because hon. members opposite were in power.

Mr. YOUNG: Did conditions improve when the new government came in?

Mr. TURNBULL: Certainly they did. During the term of office of the late government every European country increased its tariffs on wheat going into those countries to the point where they became prohibitive, and not

only that but during their term of office these European countries put quotas against our wheat, along with the wheat of other exporting countries, until we could not sell in those countries.

Speaking at a nomination meeting on June 17, 1930, and speaking shortly after that at Melfort, the then Minister of Finance defending his budget said that we had lost the markets in Europe, and that the only market we had left was in Great Britain. He said if we could not sell our wheat to Great Britain we could not sell it anywhere. That was the position hon. members opposite were in with respect to wheat. But there has not been one year since this government took office that Canada has not sold more than 155,000,000 bushels of wheat.

Mr. BEAUBIEN: You gave it away; you did not sell it.

Mr. TURNBULL: Why do hon. members opposite take the position they are taking in connection with this bill?

Mr. COWAN (Long Lake): They do not know, themselves.

Mr. TURNBULL: There used to be a time when they had some sympathy with the desire of the farmers to market their produce in an orderly manner. They took that position at one time. To-day however we have the opposition of the Liberal party. True, we had the vote of the ex-Minister of Agriculture, but while he voted for the bill he has damned it in all his discussions. He talks on one side and votes on another.

Mr. MOTHERWELL: I am exercising my reservations, that is all—and I made a good many of them.

Mr. TURNBULL: You reserved most of the bill, I think. The hon. gentleman can go back to his constituency in Melville, and when he meets one person in favour of the bill he may say, "I voted for it." But when he meets another person who is opposed to the bill he may say, "I talked against it"—and in that way he may ride on both sides of the fence. He is the old-type politician who has not forgotten the old way.

Mr. MOTHERWELL: I have done exactly as I said I would do.

Mr. TURNBULL: There was a time in the history of the Liberal party when they were working for the farmers in the country.

Mr. YOUNG: And we are still.

[Mr. Turnbull.]

Mr. TURNBULL: Let us take the situation to-day: The right hon. leader of the opposition has said he does not like the idea of tariffs fighting for the producers. He has said he never imposed a protective tariff to protect any industry; in his case it was always tariff for revenue. That tariff for revenue protected the goods of the manufacturer but did not protect the goods of the producer.

Mr. MACKENZIE (Vancouver): What about Dominion Textiles?

Mr. TURNBULL: What about Dominion Textiles? Was it not the government of the right hon. leader of the opposition which fixed the empire content of textiles at fifty per cent so that British textiles could not enter this country under the British preferential tariff? Why do they talk about textiles?

Mr. YOUNG: Tell us about the September budget.

Mr. TURNBULL: In 1930 the attitude of the Liberal party towards the farmer was quite different. I have before me some remarks which were made by the then Minister of Finance, and which are reported at page 1614 of Hansard of that year. These were the remarks of the minister in his speech introducing the budget for which hon. gentlemen opposite voted. Mr. Dunning said:

> Western farmers are also advancing along cooperative lines designed to promote orderly marketing of crops. Too much importance cannot be attached to these efforts. Canada's grain producing power is tremendous. In marketing she must compete with the world. Cooperative effort in the direction of the most economical marketing methods should command the sympathetic support of all Canadians.

Here we have a bill to improve the methods and practices involved in the marketing of natural products and in the export trade, making provisions in connection therewith and containing clauses to prevent too great a spread between producer and consumer, and then instead of this bill receiving the sympathetic support of all Canadians it has the wholehearted opposition of every member or the official opposition in this house. Why the change since 1930? Why is it that they are sliding back to the Magna Charta when in the old days they were in favour of the "sympathetic support of all Canadians for more economic marketing methods."

Mr. BROWN: We still are.

Mr. YOUNG: This is not an economic marketing method.

Mr. TURNBULL: My hon. friend from Lisgar says, "We still are." He never was in favour of anything which the Liberal party did not back up, not even when he was a Progressive. He was selected a Progressive-Liberal, and he sits here a dyed-in-the-wool Liberal ever since he was elected, and he has never cast a vote or said a word against his Liberal leader. He will be sympathetic with a marketing bill if his Liberal leader introduces it. If anybody else introduces it he will be dead against it. That is the whole story from the other side of the house.

As I said the other day, why do we not get through this bill and give the farmer in this country a break? Why not give our primary producers a chance to get orderly marketing of their products? Why must we contend day after day to get a little something for the farmers out of the opposition? Every bill that comes into this house to give the farmer a chance is met wth the argument—the rights of parliament and the liberties of the individual. To-day again we heard the argument against licensing, that a man must have a licence to market his crop, and the very minute he cannot get a licence the leader of the opposition says that the man is prevented from carrying on his trade.

Mr. VENIOT: Why not?

Mr. TURNBULL: And my hon. friend from Gloucester says, "Why not?" Does not he along with other hon. members realize that there is hardly a business in this country that is not licensed? Does he not realize that every town, every city, every village in this country almost without exception imposes licences for this business, that business and the other business? My hon. friend from Weyburn could not run a pool room in his own town without a licence.

Mr. VENIOT: You can run a manufacturing business.

Mr. TURNBULL: You could not own a dog in Ottawa unless you got a dog licence for it, and the minute you cannot get a dog licence you must get rid of your dog.

Mr. VENIOT: Why do you want to put the farmer in the same category as the dog, and force him to have a licence?

Mr. TURNBULL: I do not. I put the farmer in the same category as the hon. member for Gloucester, and perhaps there is cause for complaint in that. Ever since this Canada of ours was a civilized country there have been licensing laws and other laws that have subordinated the position of the individual to the good of the community, and to the extent that they kept a man from doing what he liked they might have restricted his individual liberty, but the liberty of the individual, as the leader of the opposition has said, must at times be subordinated to the general welfare of the community.

All we are asking in this bill is that regulation be applied in the marketing of products for the general welfare of those who have the products to market, that where we are moving our products into limited markets there be some regulation of the quality and quantity of goods that goes into the limited market. And now we are confronted with opposition from the other side of the house to the very thing which the Minister of Finance adhered to in 1930, the very things on which he asked the voters to support him. Then he was a member of the government of the leader of the opposition, and now hon. gentlemen opposite are opposed to the very things which they supported in 1930 because they are sitting on the other side of the house and we are sitting on this side. It is the old political game.

Mr. BEAUBIEN: You will not be there long.

Mr. TURNBULL: If the hon. member for Provencher thinks he is going to get anything out of his opposition to this bill he is mistaken.

Mr. BEAUBIEN: You do not need to worry about me.

Mr. TURNBULL: I am not. Neither is anybody else.

Mr. BEAUBIEN: In the first place I say that this is not a marketing bill at all. It is a bill of restrictions and nothing else, and my hon. friend knows it.

Mr. TURNBULL: There is only one more point to which I wish to refer, and that is the citation made by the leader of the opposition from an article by the Chief Justice of Ontario in the Bar Review. The sentiments there expressed are admirable, and I think most people approve of them, but they have absolutely no bearing on what is in issue here to-day. What the Chief Justice of Ontario was condemning was the setting up of legislative courts that adjudicated on the rights of the people in place of the ordinary courts—workmen's compensation boards, for instance, which is one of the courts set up by legislative authority in the province to take from the ordinary courts the powers that they had theretofore exercised.

Mr. MACKENZIE KING: It was much wider than that, if my hon. friend has read the article.

Mr. TURNBULL: He may have covered more points than that.

Mr. MACKENZIE KING: It covered arbitrary authority wherever exercised, whether by a court or a board.

Mr. TURNBULL: Certainly, but not arbitrary authority by parliament or arbitrary authority by order in council, if you want to call it that. It covers adjudication between individuals by these new courts, but has no reference to legislation. The chief justice would be the last man to criticize legislation or the methods of parliament. He is criticizing particularly the administration of civil justice by the granting of powers of adjudication to boards and taking those powers away from the civil courts, and the workmen's compensation board is the most pointed illustration of it.

Mr. GARLAND (Bow River): Before this section is disposed of I would like to submit that the criticism raised by the leader of the opposition has no particular reference to the bill itself but is a valid criticism of our general ignoring of the necessity of a new policy with respect to monetary matters. The criticism of artificial scarcity that the leader of the opposition raises is sound, and every act of this government and of his own government in the past was calculated rather to assist in the creating of scarcity, so that commercial and other enterprises might be able to profit by the higher prices that would ensue therefrom.

So far as this bill is concerned, my conception of it—I may be incorrect but I hope I am not—is that it purports to improve the marketing processes of the primary producer so that he will be able to secure a larger share of the consumer's dollar expended for the goods so marketed. If the bill has any other purpose I do not believe I would have supported it. As the leader of the opposition has said, under our present system and with your present type of ministers here and in other countries you cannot expect the introduction of a policy calculated to do what he implied ought to be done, namely, to increase the purchasing power of the masses of the people. As long as you have your sound money system and your gold standard restrictions, as long as you have the present wholly unjust disparity in national income, just so long are you in the position of being compelled artificially to provide for scarcity, and the government of the leader of the opposition got no further away from that than the present government is getting away from it. We accept this bill only as a means of modifying slightly some of the inherent evils in a wrong monetary system. That is all. France presented the conference with a draft treaty for the definite limitation of production of a large number of basic commodities. The reference to Brazil has become almost classic in connection with monetary reforms. Six million bags of coffee destroyed last year and almost a million the year before. There was a limitation of cotton in Egypt in 1926 and again in the state of Texas. We have this artificial restriction of production offered as a cure under the system under which we are now living. The hon. member for Peace River (Mr. Kennedy) has just suggested to me that the leader of the opposition has not yet proposed a scheme by which there would be any increase of the volume of purchasing power on the part of the masses of the people in order to enable the consumption of the plenty which we are now undoubtedly capable of producing. In my opinion, that is the nub of the whole business. If hon. members will take the well placed words of the leader of the opposition and analyze them with respect to the general economic conditions and general social system and work out a plan by which we shall endeavour definitely to consume production instead of trying to regulate, we would be on the fair road to happier days for all of us. I agree with the leader of the opposition when he says that there is no effective overproduction or surplus in the world. There is no surplus of wheat, there is no surplus of steel goods, there is no surplus of anything and there can be no surplus until, as was said by a mind equally astute to that of the leader of the opposition, Sir Basil Blackett, a director of the Bank of England, until the last Hottentot is living like a millionaire. The trouble with both Sir Basil Blackett and the leader of the opposition is that they have not related their broad conception of the trouble to the legislation necessary for monetary reform. We cannot lose sight of the fact that the masses of the people in this country have never yet received sufficient income to pay income tax. More than ninety seven and a half per cent of the Canadian people are below the income tax level of the dominion government. All the income tax that has ever been paid has been paid by two and a half per cent of the people. In the face of a scarcity of purchasing power of that kind, on the one hand, and a vast dominating wealth on the other, how is it possible to con-

tinue? The trouble with the present system is that there has never been a sufficient volume of purchasing power circulated by the present financial system. Never at any time. There are some free traders and mid-Victorian economists who protest that the mere act of production creates the necessary purchasing power, but that is not accepted to-day. Every modern economist states that there never has been and is not to-day a sufficient volume of purchasing power to take up consumption. Any student of modern finance knows that until we relate this problem to the point of view of consumption, even to more than consumption, it cannot be solved. I submit to the leader of the opposition that while his general criticism is sound, this bill itself will neither increase purchasing power as a whole nor decrease it as a whole. After the bill is passed the situation will be just about the same except that there will be a little more regulation in marketing.

Mr. NEILL: If this section stood by itself I would not be opposed to it because I realize that the government must have some means of dealing with quotas which may be proposed by foreign nations. But it does not stand by itself, it is associated with the preceding sections which gives it far greater powers for good or evil. If the minister had accepted the amendment which I proposed last week by which a scheme could not be initiated and controlled by the marketing end, that is, the wholesalers, the commission brokers and middlemen of that character; if he had accepted the other amendment which I suggested which made it compulsory to have a poll of the producers in an industry, then I would have had no objection to this section. But he did not allow these amendments to pass and this section now puts a fearful power into the hands of the men appointed in the manner I indicated earlier and by means of which they may obtain such drastic control that the producers might be in a far worse position than they were before. I should like to put something on record which I think will be worthwhile for the information, perhaps not of the minister, but of the producers throughout the country. It is what took place in Great Britain quite recently in connection with one of these schemes. I do this in order that the producers may have some idea of the situation they are liable to be up against. My information is not biased by any political or party considerations, as I take it from the pages of the Commercial Intelligence Journal of May 26. This deals with the hop situation in England. The hop production of England is small as the total acreage is between 16,000 and 17,000 acres. I ask my hon. friends from the prairies to compare an acreage of 16,000 or 17,000 acres with the almost unbounded wheat acreage of the prairies and realize what their situation may be when the situation I am about to outline occurred in connection with such a small area. The consumers of hops in Great Britain are a small associated body of brewers, readily if not easily negotiated with. This article is by Mr. G. S. Cole, Canadian trade commissioner, a man of high repute and I quote from page 865 as follows:

> The Agricultural Marketing Act of 1931 included a scheme for regulating the market of English hops. This was implemented through the formation of the English hops marketing board, 1932.

That is less than two years ago.

> The situation this year is complicated. Briefly, a bill is before parliament to enable the hops marketing board to impose quotas (1) on English production to prevent market flooding; (2) on imported supplies. The hops marketing board was successful in having the bill presented in the latter part of 1933,—

Apparently they had had some opposition but they succeeded in getting a bill before parliament. They had to have a bill.

> —but a committee of investigation was appointed in November, 1933, by the Minister of Agriculture under the agricultural marketing acts, 1931 and 1933, to consider the objections of the brewers' society to the scale of values placed by the hops marketing board in October, 1933, on the crop of that year. Early in February, 1934, the committee reported to the minister that the evidence and arguments placed before it disclosed no justification for the complaint of the brewers' society.

I wonder what happened in the meantime to prices and what happened to those who had to put their hops on the market forthwith. The article continues:

> In April, 1934—

That is nearly six months after the trouble and the market must have been deadlocked during that period.

> —in consequence of an arrangement come to by the hops marketing board and the brewers' society for the discussion of certain matters supplementary to the amendments to the hops marketing scheme, 1932, which are now before parliament, the Minister of Agriculture appointed a provisional committee consisting of four representatives each of the hops marketing board and the brewers' society, and three independent members. The purpose of the provisional committee is to consider, in principle, the following matters:—
>
> (a) Long-term planning in the production of hops;

(b) The fixation of the estimated total market demand for hops of each season;

(c) The determination of prices, with reference to (i) costs of production; (ii) the rate of profit to be fixed, having regard to the growers' willingness to accept a fixed rate provided the brewers agree to purchase not less than the quantity put forward as their firm requirements for the purpose of estimating the total market demand; (iii) the nature of the undertaking the brewers' society are able to give in this respect, and (iv) the marketability of the crop;

(d) The administration of the "levy fund," if such is agreed to be established; and

(e) Any other relevant question which the brewers' society and the hops marketing board may agree to refer to the committee;

And the committee, having done so, are to make recommendations regarding the composition, functions and machinery of a permanent committee to deal with this question. You will observe that they had a board to begin with, and then tried to get a bill through to amend the act; but there were objections on the part of the brewers and a provisional committee was appointed to study all these questions which have been mentioned and to make recommendations for the setting up of the machinery of a permanent committee. The writer goes on:

A word of explanation as to the objections raised by the brewers to the hops marketing scheme which was presented to parliament may be in order. Although complicated in character, these provisions may briefly be described as an attempt to allocate to each registered producer who grew hops in 1932 a basic quota equal to his average annual quantity of hops picked during the five years 1928-32.

We will visualize the attempt to put something like this into effect throughout the millions of acres of the prairies.

This implies that any one who was not a grower of hops in 1932 could only be allocated quotas when the estimated market demand exceeded the existing basic quotas by ten per cent—that is, by about twenty-five per cent more than the present output. Even so, the conditions under which quotas were to be allocated to new growers might in practice prohibit newcomers from entering upon production, since any increased allocations are to be sold—

Mark that.

—at the discretion of the board, a preference only being given "so far as practicable" to those who bid highest for the privilege of being placed in the register.

Do hon. members see the significance of that? If there are any quotas over and above those allocated to the producers of hops in 1932, then these quotas are to be put up to auction, the preference being to those who bid the highest for the privilege of being placed on the register. We have heard comments on the restriction of production, but here we find liberty of production being put up at auction, so that no one can get a show unless he bids higher than someone else. There are vast possibilities in this connection, possibilities which we can imagine but do not need to deal with.

This article continues:

Brewers regard the quota scheme as in any event premature, since, as far as can be foreseen, the whole of the 1934 crop will be absorbed without difficulty. But such crop might be relatively a failure, in which event brewers contend that they would find themselves wedged between a marked insufficiency of home-grown hops and the need for competing in the world markets for supplies, and having to meet the high import duty of £4 per hundredweight on foreign hops and £2 13s. 4d. on British Empire hops.

The brewers affirm that the quota system over-rides the principle involved in these import duties, which were instituted to protect the English hop grower from a flooding of the market at home when world production was high. Their contention is that, as the only consumers of hops, they should not be subject to an import duty, to be paid by them, on hops not grown in this country, while at the same time the freedom to grow hops in England is virtually withheld from all but those who were growers in 1932. The Hops Marketing Board—which has the exclusive right to buy and sell hops and to fix the price at which they should be sold—is composed of eighteen members, and it is the complaint of the brewers that fifteen members of it are either hop growers or are associated with the hop industry.

I have not the next page under my hand but it observes that since this board started the price of hops has gone up from £3 per hundredweight to £15. I wonder where the consumer comes in. While it is difficult, reading something like this, to grasp the meaning, I put it on Hansard so that members of this house and the producers in the country can study it and observe all the complications. This is a scheme conducted in Great Britain, where producers are in a small, compact body, a small industry, and where the people, by long tradition, are naturally inclined to the carrying out of laws both in their spirit and in the letter. Yet, in a country such as that, all this confusion results, the market being tied up for six months, with no ultimate solution in sight, and with the price rising from £3 to £15 per hundredweight, the brewers complaining that on account of the restrictions placed on British production they may have to go into the foreign market in order to make their purchases, with the heavy foreign duty involved.

Will that help the producer? I say that if we are not exceedingly careful we shall find ourselves involved in one huge mess. I

[Mr. Neill.]

admit the spirit of the bill and the minister's good intentions; but what are we to expect if things work out in Britain in the way here indicated? And that is only one item; because so far Britain, with characteristic caution, has gone into schemes that cover only dairy products, hogs, potatoes and hops, and one other commodity, I believe. But we are proposing to deal with the whole range of agricultural and piscatorial products in Canada—a wide open field—and I do suggest that we should be better employed if we went a little slower, until we saw how it would work out.

I thought it would be valuable to put that extract on Hansard in order to show the tremendous possibilities for confusion and for disorganization of the market and indeed of the industry itself.

Mr. MULLINS: When this bill first came before the house I did not like it; I was very much afraid of it. But after listening to the various arguments put forward, and when I think of the conditions that actually exist in Canada, I am absolutely in favour of it. I wonder if the ex-Minister of Agriculture (Mr. Motherwell) realizes what rubbish is going forward to the British market? I may say for his information that there left Montreal a short time ago for that market a shipment of cattle that positively should not have left this country. I am sorry to be obliged to charge the hon. gentleman with responsibility for such a situation, but the fact is that he abolished the policy of sending out pure bred sires throughout Canada. He knows he is responsible for the abrogation of that policy.

Mr. MOTHERWELL: You are talking rubbish.

Mr. MULLINS: And he has left nothing but a lot of rubbish amongst the farmers. You could not go from here to the mountains and buy a trainload of cattle suitable for the British market. Surely then this bill must be of some use if it will restrict the exportation of that rubbish which is unsuitable.

The right hon. leader of the opposition spoke about people dumping coffee, and running sheep, into the ocean. Well, if they would drive into the ocean most of the poor cattle that are going to England I think they would be doing Canada a kindness.

I cannot understand what purpose is to be served by opposing this bill. What is the idea? If the bill is in the interests of the farmer, if it will prove beneficial to agriculture by stopping the export of inferior commodities of all kinds other than live stock, then why not support it? I speak of live stock particularly because that is the line along which my life's work has been directed, and it is one of the leading products of the country. No man engaged in agriculture on the other side of the house will deny that the farmers cannot be successful without live stock, and I have preached this incessantly in this house.

I had not intended discussing this matter again but I could not help bringing it up after seeing this recent shipment from Montreal, intended for the British market—a cargo absolutely unsuitable for the British market. The leader of the opposition has referred to certain preachers. They are all right in their place, but I suggest that they read that chapter wherein Jacob is spoken of as making a deal with Laban to care for his herd; and in that regard I can only deplore the fact that the ex-Minister of Agriculture did away with the policy in regard to pure bred sires.

I see my hon. friend from Lisgar, who I know has occupied the pulpit in western Canada. He knows something about this subject; he knows what poor quality there is on the farms in the west. And he knows moreover that this is the outcome of action taken by the ex-Minister of Agriculture, and I cannot understand why he has taken such exception to this bill. I was just as bitter against the bill when it was first introduced as any man here, but the more I look into it the better I think it is for the farmer that he should have that commodity restricted. I say it is unfair to keep this house in session at the high cost involved in opposing a bill like this. Let the bill go through and let it help the farmers and stop the poor quality that is going to the British market.

Mr. BEAUBIEN: The hon. member for Regina (Mr. Turnbull) is always very fond of trying to impress the country with what the Conservative party and the present government have done for the farmers since 1930 and the harm the Liberal party did previous to 1930. May I tell my hon. friend that unless the policies practised by this government are changed very soon the farmers will not need any marketing bill because they will be broke and will not be farming.

Mr. COWAN (Long Lake): That is your idea.

Mr. BEAUBIEN: No one knows it better than the hon. member for Long Lake (Mr. Cowan). All he has to do is to go back to his own riding—

Mr. COWAN (Long Lake): I am ready to go any old time.

Mr. BEAUBIEN: —and see the position they are in. The hon. member for Regina has been trying to impress upon the house that this is a marketing bill. But it is not a marketing bill, and this clause 12 and the amendment are just the opposite of a marketing bill. Under the previous clauses of this bill it is provided that schemes may be brought about. Under this clause and the amendment what is done?

> The governor in council may, by order or regulation, notice whereof shall be published forthwith in the Canada Gazette,—
>
> (a) regulate or restrict the importation into Canada of any natural product which enters Canada in competition with a regulated product;
>
> (b) regulate or restrict the exportation from Canada of any natural product;
>
> (c) provide for the licensing of persons by whom any such natural product may be imported or exported;

Under previous clauses, power is given to the governor in council to approve schemes, while by this clause 12 and the amendment you give the governor in council power to restrict imports of any natural products into Canada or exports from Canada. You simply knock on the head by this clause everything provided for in clause 3. Does my hon. friend from Regina, or does the Minister of Agriculture think that when the farmers become acquainted with this amendment by which the governor in council can restrict the export of any of their commodities by licensing—for if a man has no licence he will not be able to export, and the minister knows that—

Mr. MULLINS: He will not restrict quality, and there will be no licence necessary—

Mr. MACKENZIE (Vancouver): How do you know?

Mr. BEAUBIEN: Under this clause we are discussing now the minister can do anything he likes, and neither my hon. friend from Marquette nor anyone on this side of the house will know what is done until an order in council is passed. If that is what my hon. friend from Regina calls a marketing bill, I call it just the opposite. I represent a riding in which the people are all farmers, and I have yet to receive one request to support this bill. My hon. friend from Marquette, who is now so strongly in favour of this bill, took a long time to be converted; I think his conversion is on account of an election coming pretty soon—

Mr. LOUCKS: It would be a good job if you were converted.

Mr. BEAUBIEN: I say to my hon. friend from Rosetown (Mr. Loucks) that I have yet to receive any request from my riding to support this bill, and the farmers in my riding are just as intelligent as those in his.

Mr. LOUCKS: I do not think so.

Mr. BEAUBIEN: They have sent me here for the last twelve years, so they must be fairly intelligent, and I thank them for it. The farmers of Rosetown have probably sent my hon. friend here for the last time.

Mr. COWAN (Long Lake): Why do you not stay in Manitoba where you belong?

Mr. BEAUBIEN: Stop cackling! Now, Mr. Chairman, the governor in council under this clause is given too great power. The bill gives too great power to these boards. I do not think the minister has received any unanimous demand for legislation of this kind. I think that the producers of natural products especially of farm products, once they find these restrictions and regulations can be imposed on them by the governor in council or by these boards, will rise up against this bill, because it is not going to help them in any shape or form.

Mr. WEIR (Melfort): I appreciate what the hon. member for Comox-Alberni (Mr. Neill) has put on record, because various hon. members have quoted the British Marketing Act, first on one side and then on the other, though in that respect I am not referring to the hon. member for Comox-Alberni. But the right hon. leader of the opposition quoted the British act with respect to the power given to consumers' committees and so on, and as a model or principle to be followed; yet in the same breath he objected to the restriction of production. Here I wish to make one short statement, even at the cost of repeating it so often; that is that the leader of the opposition does not yet grasp the meaning of this bill. The principle of this bill is the regulation of marketing; in no sense is it restriction of production. The right hon. gentleman has said on different occasions that he believes in a system of orderly marketing. I would ask him if he can have orderly marketing, which means a regulated or controlled market, without control. That is the fundamental point on which he bases his whole argument, and this false premise has led him to drag in sermons from Hamilton and elsewhere, and press quotations that he is furnished with

galore at all times, ending up with this reverend gentleman speaking in Ottawa and referring to people hailing the grasshopper plague in Saskatchewan and the west as a blessing. I wonder who ever hailed the grasshopper plague in western Canada as a blessing. I am afraid that if the right hon. gentleman tried to sustain his physical body on such empty imaginings he would not long continue to grace this chamber, much to our regret. The false impression that many of these reverend gentlemen and others seem to have formed is I feel sure due more than anything else to the fact that this bill has been so misinterpreted in respect to production by the right hon. gentleman himself.

The hon. member who has just taken his seat (Mr. Beaubien) made the statement that these powers which we are taking in section 12 are too great to give to local boards. But this power is not for local boards.

Mr. BEAUBIEN: I did not say that.

Mr. WEIR (Melfort): That is my mistake then.

Mr. BEAUBIEN: I said you give certain powers to the boards under the previous section.

Mr. LUCHKOVICH: The longer this debate proceeds the more idiosyncrasies and anomalies proceed therefrom.

Mr. MACKENZIE (Vancouver): You are the biggest of them all.

Mr. LUCHKOVICH: I did not hear that remark, but the hon. gentleman who interjected it has been responsible for a great many of these idiosyncrasies and anomalies about which I am going to speak. It was not so long ago that I heard the remark passed by an opposition member with regard to this group that it would not get anywhere because there were too damn many preachers in it, but to-day I heard the right hon. leader of the opposition (Mr. Mackenzie King) read several extracts from addresses by certain preachers or ministers in this country. While he was reading those extracts the hon. member for Lisgar (Mr. Brown) applauded the mention of planned economy. Until a short time ago, judging from his speech on the marketing bill, I thought he was averse to that idea. A few moments ago the hon. gentleman said that he believed in orderly marketing, but I do not see how you can have orderly marketing unless at the same time you have planned economy.

The leader of the opposition says he opposes this bill because it is restrictive. Well, we have restriction in any case, whether we have this bill or not. Certainly so far as our wheat exports are concerned we have had restriction during the last four or five years; we have found it extremely difficult to get rid of our surplus in the markets abroad, due to the quotas that have been placed against our grain. If that is not restriction I should like to know what restriction is. One hon. member mentioned licences. It is only natural that you must have licences even under this bill. Among other things, he said, you have to get a licence if you have a dog, and the former Postmaster General (Mr. Veniot) asked, "Why do you place dogs in the same category as human beings?" May I say that unless you do get orderly marketing in this country by a bill of this kind I am afraid the farmer will continue to lead the dog's life he is leading now, because we have no system of orderly marketing.

Mr. REID: I should like to ask the minister one question. Under section 4 the board has power to grant compensation—

The CHAIRMAN (Mr. Bury): We are on section 12.

Mr. REID: I must base my question on section 4. Under that section it is provided that compensation may be paid by the board if an order of that board prohibits a certain person or group of persons from marketing a certain product. Will the same provision apply in regard to orders of the governor in council? Suppose an order is issued restricting a certain person from exporting or importing a certain product. Would that person be allowed compensation by the governor in council, as section 4 provides in connection with the board? My opinion is that if the board can grant compensation arising out of an order of the board the governor in council should have the same right.

Mr. WEIR (Melfort): I am not sure whether or not I understand the question of the hon. member. Under the amendment it is not proposed to give the board power to grant compensation for anything withheld from the market due to the action of any government other than this government; that is, in connection with a quota. I do not know whether that answers my hon. friend's question.

Mr. REID: No, it does not. I do not know whether I made myself clear. Supposing an order is issued by the governor in council prohibiting the export or import of a certain product. Would the individual concerned have the right to appeal to the governor in

council for compensation, as he has the right to appeal to a board? Under section 4 an individual has the right to appeal for compensation if he is prohibited by the board from exporting or importing a certain article. Does that right extend to orders issued by the governor in council? If it does not I think it should.

Mr. WEIR (Melfort): I am afraid I do not understand the question yet. Section 4 does not provide for compensation if exportations or importations are curtailed by a quota placed by a country other than Canada.

Mr. REID: But it does provide for compensation in relation to products going to countries with depreciated currency and it provides for compensation to any person for loss sustained through storing or withholding any product on the order of the board. I presume the governor in council could issue similar orders, which might prohibit the import or export of certain articles. If that is so I believe the right of the individual to compensation should be the same even if the governor in council issues the order.

Mr. WEIR (Melfort): I have no further answer.

Mr. STEWART (Edmonton): Surely the minister has an answer; that is a very proper question. Undoubtedly section 4 provides for compensation in various cases; the individual, whether he comes in voluntarily or is forced in, may receive compensation. If you are going to refuse an individual who is an exporter the right to ship goods—

Mr. WEIR (Melfort): Quota or otherwise?

Mr. STEWART (Edmonton): Yes. Surely to goodness it follows that you must compensate him. He is refused the right to dispose of his product, and while there are many anomalies in the bill surely the right to compensation must follow as a matter of course.

Mr. WEIR (Melfort): I think the answer to the question that is evidently bothering the hon. member for West Edmonton is that under section 4, as amended, it is specifically provided that in the case of a quota forced on our producers by an outside government, no compensation will be paid.

Mr. VALLANCE: Then I should like to ask this question: Under section 4 has a board greater powers than the governor in council has under section 12?

Mr. WEIR (Melfort): It has different powers.

[Mr. Reid.]

Mr. VALLANCE: Then can the board compensate under section 4 and the governor in council not compensate under section 12?

Mr. WEIR (Melfort): Any compensation that might be made by the governor in council would be under section 9, under which a board would be set up to deal with any emergency matters.

The CHAIRMAN (Mr. Bury): Shall the amendment carry?

Mr. MACKENZIE KING: Put it to a vote.

The CHAIRMAN (Mr. Bury): All those in favour of the amendment will kindly rise during the taking of the vote.

Some hon. MEMBERS: Order. Hon. gentlemen opposite may not come in.

The CHAIRMAN (Mr. Bury): Order. I understand that members may come in while a vote is being taken in committee.

Amendment agreed to: yeas, 39; nays, 1.

Mr. RYERSON: Mr. Chairman, I am paired.

Mr. STEWART (Edmonton): Pairs count.

The CHAIRMAN (Mr. Bury): I have called for those who were in favour of and those opposed to the amendment to stand.

Mr. MOTHERWELL: I want a chance to vote against section 12.

Mr. GUTHRIE: Stand up like a man.

The CHAIRMAN (Mr. Bury): Only one member stood.

Mr. GUTHRIE: Is it forty to one?

The CHAIRMAN (Mr. Bury): Thirty-nine to one.

Mr. HOWDEN: I think my pair was counted, but I am not sure. He was standing outside the curtain, but if his vote was taken I desire to vote.

Mr. GUTHRIE: That makes two, then. They are all for it.

The CHAIRMAN (Mr. Bury): Thirty-nine to two, then.

Mr. McINTOSH: Are we all "regulated"?

Mr. VALLANCE: This is what you call an honest opposition.

Mr. STEWART (Edmonton): If the minister suggests we are all voting for it, I want it distinctly understood that I wish to poll my vote against it.

Mr. GUTHRIE: But you did not do it.

Mr. STEWART (Edmonton): You may count me in.

Mr. VENIOT: I did not vote because my pair was absent, but had I voted I would have voted against the amendment.

Mr. MACKENZIE (Vancouver): I am in exactly the same position.

Mr. ELLIOTT: For fear I may be suspected of having friendship for the amendment I wish to say that if my pair had been here I would have voted against it.

Mr. MACKENZIE KING: I am paired with the Prime Minister. He not being in his seat, I did not vote; otherwise I would have voted against the amendment.

Mr. VALLANCE: I was paired with the hon. member for Wentworth (Mr. Wilson); had he been in his seat I would have voted against it.

The CHAIRMAN (Mr. Bury): I must remind hon. members that this is quite irregular. We do not take any notice of pairs.

Mr. VENIOT: But you cannot prevent us from stating our position.

The CHAIRMAN (Mr. Bury): And it is not recorded.

Mr. MACKENZIE (Vancouver): Hansard is reporting it.

Mr. GUTHRIE: Go on with the next section.

Mr. VENIOT: What is there to prevent us from stating our position, even if it were not recorded?

The CHAIRMAN (Mr. Bury): Because you are out of order.

Mr. VENIOT: Are we out of order? You cannot show us a rule which states we are out of order.

Mr. SANDERSON: I am rising to a point of order, and I shall say what I have to say.

An hon. MEMBER: Smile, then.

Mr. SANDERSON: On the point of order, I was paired with the hon. member for Haldimand (Mr. Senn). That is the reason I did not vote. May I say further on the point of order that I have never seen a more irregular vote taken in this House of Commons. The chairman permitted members to come into the chamber while the vote was being taken, and not only that but he ruled that they had the right to vote.

The CHAIRMAN (Mr. Bury): The hon. member is not speaking to a point of order at all.

Mr. SANDERSON: Yes, I am.

Mr. COWAN (Long Lake): Hon. members on this side voted regularly.

Mr. SANDERSON: And further than that, I am sorry to say that many hon. members opposite were paired and voted.

Mr. COWAN (Long Lake): We did not vote.

The CHAIRMAN (Mr. Bury): It is carried, without any reference to the number.

Mr. COTNAM: The charge made by the hon. member is a serious one. I believe he should substantiate his statement to the effect that hon. members on this side who were paired have voted. I am one hon. member who did not vote because I was paired.

Mr. GUTHRIE: Go on with the next clause.

Section 13 agreed to.

On section 14—Offences; failure to comply with orders or regulations.

Mr. MACKENZIE KING: I should like to ask the significance of the word "determination" in this section. It reads:

> Every person who fails to comply with any order or determination of the board or of a local board or any regulation of the governor in council shall be guilty of an offence and punishable on summary conviction with a fine of not less than twenty-five dollars and not more than five hundred dollars, or to imprisonment not exceeding three months or to both fine and imprisonment.

The clause as it stands imposes the penalty of fine and imprisonment on anyone failing to comply with the determination of the board. I suggest that the words "or determination" should be struck out; they have been struck out in other parts of the measure.

Mr. GUTHRIE: I do not see any object in keeping the words "or determination" in the section. I do not know why they were put in.

Mr. MACKENZIE KING: I believe I can explain it. Part II of the bill gave committees power to determine certain matters. The government have changed that so that

committees will have power to report on certain matters, and they have done away with "determination." The word "determination" evidently slipped in when the bill was originally drafted, and should not be there now.

Mr. GUTHRIE: There could be no objection to the words being left out. I quite agree that the words "or determination" should come out, and I therefore move:

That the words "or determination" appearing in the first and second lines of section 14 be stricken out.

Amendment agreed to.

The CHAIRMAN (Mr. Bury): Shall the clause as amended carry?

Mr. MACKENZIE KING: Before the clause carries I should like to draw the attention of the committee to what we are asked to do. We are being asked to fix penalties without knowing what the offences may be to which these penalties are to be attached. That is an entirely wrong position in which to place the House of Commons. Let me illustrate: Any local board, the existence of which is not yet known, the regulations of which will not be known until after it is formed, and the orders of which will not be known until after regulations are made, may give an order of a particular nature, and anyone who violates that order becomes liable to the fine and imprisonment for which we are now making provision. We are fixing the penalty to which some person or persons are to be subjected, although we have no idea what the offence itself is to be to which these penalties are to apply. That is wrong in principle. As I said a moment ago it is substituting local boards for parliament, and elevating these subordinate bodies into bodies having a power higher than that which parliament itself is prepared to exercise in the matter of the creation of offences. I do not believe that is a proper procedure or proper in any respect.

Mr. GUTHRIE: Of course this is the same argument, in principle, which the right hon. gentleman has made so many times in connection with this bill. Under many acts of parliament we give power to pass regulations about which we know nothing at the time the bill is passed, and we provide penalties for breaches of regulations. In this instance it is an order of a board; it is not a regulation, but the same principle is involved. We have done it; it is an established custom of parliament; no harm has resulted; no harm will result, and I cannot see any objection to it.

[Mr. Mackenzie King.]

Mr. MACKENZIE KING: I suggest that what parliament has done, at the very most, has been to set out a class of offences and attached to those offences certain penalties. It has permitted the governor in council to make certain regulations under some general clause which applies from one end of the country to the other. But here we are permitting a condition whereby an act may be made an offence in one locality which may not be an offence in another. Under such a condition we make a person liable to fine and imprisonment in one part of Canada, while in another part of Canada at the same time there is no similar law, although parliament has fixed the penalty. I have quoted from the report of the Royal Commission on Ministers' Powers. There is one other passage I should like to quote in this connection. It is from page 72:

The best exposition of the modern doctrine—

That is to say, of what the rule of law now means:

The best exposition of the modern doctrine and of its corollaries is that contained in Dicey's Law of the Constitution. He says: That "rule of law" which forms a fundamental principle of the constitution, has three meanings, or may be regarded from three different points of view. It means, in the first place, the absolute supremacy or predominance of regular law as opposed to the influence of arbitrary power, and excludes the existence of arbitrariness, or prerogative, or even of wide discretionary authority on the part of the government.

I submit that under that exposition what is here proposed is a highly improper method of proceeding, namely, to allow the governor in council arbitrary power to fix certain offences and to ask this parliament in advance of those offences being named or known, to fix the penalty that is to be made applicable when the governor in council has acted. The report goes on, still quoting from Dicey:

It means, again, equality before the law, or the equal subjection of all classes to the ordinary law of the land administered by the ordinary law courts.

There again I submit that we are violating what is fundamental because under this legislation there will not be equal subjection of all classes to the ordinary law of the land. These penalties that we are now asked to enact will apply only here and there as different local bodies, the central board, or as the governor in council may wish to have them apply. The penalties are to be made applicable to offences that are created by these local boards. I believe it will be found such a procedure is wholly unconstitutional and I

submit we ought not to be asked to enact legislation of the kind. Quoting again from the report, Dicey says finally:

> The "rule law," lastly, may be used as a formula for expressing the fact that with us the law of the constitution, the rules which in foreign countries naturally form part of a constitutional code, are not the source but the consequence of the rights of individuals as defined and enforced by the courts.

In other words, individuals have certain inalienable rights, one of which is not to have their property or person put in jeopardy for any offence that is not known, and which is not a part of the law of the land. But in this bill you are making a man liable to both fine and imprisonment, the extent of which is set forth in the enactment of this parliament for acts that to-day are wholly innocent and which will not become offences generally, and of which even the nature is not known at this very time the penalties which are to apply to them are being set forth.

Mr. GUTHRIE: The powers of the board in respect of which it may make orders are all fully set out in section 4, and it can make orders only in respect of the matters set out in section 4. There is the very same provision in the grain act. By section 15 it is provided that the board may make regulations in respect of its powers which are set out in paragraphs (a) to (t) inclusive.

Mr. MACKENZIE (Vancouver): Are the penalties specified in the grain act?

Mr. GUTHRIE: I do not know. I am talking about the power to make orders. There are penalty clauses specifying the amount and the limits of the amount. The whole jurisdiction of the board to make orders is set out in this act, and if people break the orders they may be penalized.

Mr. MACKENZIE KING: I assume that any orders the dominion board would make would be applicable from one coast to the other, but this section goes further. It does not apply simply to orders by the board but to any order issued by a local board, and a local board may be nothing but a small group of interested producers in one community.

Mr. GUTHRIE: The local boards are a different thing.

Mr. MACKENZIE KING: No. This section applies—

Mr. GUTHRIE: Read it.

Mr. MACKENZIE KING: Section 14 reads:

> Every person who fails to comply with any order or determination of the board or of a local board—

That is what I take exception to; it may be the order of a local board:

> —or any regulation of the governor in council shall be guilty of an offence.

These local boards are boards of self-interested occupational groups, and they instead of this parliament are to be allowed to make a part of the criminal law. In other words, under this legislation these interested groups are to be permitted to make laws which will subject others, some of their own class possibly, and some not of their own class, it may be—certainly it is not a board representative of all classes—to a penalty of fine and imprisonment if they do not comply with the orders they may make.

Mr. GUTHRIE: These regulations or orders are all approved by the governor in council before they have the force of law.

Mr. STEWART (Edmonton): I quite appreciate that it is useless for us to raise objections because the government is going to put this bill through, and so far as I am concerned I hope they do put it into effect. But may I point out to the minister that there may be a local board set up within certain geographical limits, and all the producers within those limits whether they consent or sign or not are to be subject to the orders of the board. The minister informed us some days ago that that was the effect Here you are fixing a penalty of $500 or imprisonment not exceeding three months, or both fine and imprisonment, if some order of that local board is not complied with. If I am wrong in my interpretation of these provisions I should like to be put right. Now where twenty-five per cent of the producers in a given territory are forced in against their will, without even having a poll, and then the board is given power to subject some producer who refuses to come in to a penalty of $500 or imprisonment or both, well, you will have a nice state of affairs in that community.

Mr. MACKENZIE KING: I would point out further that the whole purpose of parliament is to see, when legislation is being enacted the effect of which is to deprive the individual of his personal liberty or his property, that at least it shall be enacted by those who have been elected to parliament under methods which are intended to ensure the representation of all classes. But this is the making of law not by representatives of

the people as a whole but by the representatives of occupational groups, and it may be a very limited group in a particular occupation, and is always a self-interested group. There are none of the safeguards here which the Dominion Elections Act affords to all classes whose rights and liberties are likely to be affected by legislation. There is no secret ballot, no qualification of candidates, no qualification of voters—no parliamentary practice or procedure—none of the qualifications or obligations required of those who are the recognized law makers. All these are thrown to one side, and hereafter any interested group for its own purposes, if it can get away with it, can make an offence to which the penalties now being framed by this House of Commons shall apply. Parliament itself under the constitution has exclusive powers in that regard. So far as giving the governor in council power to create the offences to which these penalties shall apply I submit that parliament is thereby simply handing over to the governor in council a function and a power which the constitution has reserved to parliament alone, and which parliament cannot properly divest itself of and give in its entirety even to the governor in council. What we are being asked to do here, in the words of Lord Hewart, Chief Justice of Great Britain, is "to subordinate parliament, to evade the courts and to render the will or the caprice of the executive unfettered and supreme." The gravest feature of all is that while to a certain extent parliament might be prepared to countenance the making of regulations by subordinate bodies, it should be asked to permit such bodies instead of parliament itself to create criminal offences. That is going beyond any rights, it seems to me, which this house has.

Section agreed to, on division.

Mr. NEILL: Before proceeding to part II, Mr. Chairman, would it not be better to finish part I? Subsection 7 of section 4 stood.

Mr. MOTHERWELL: Part II deals with investigations.

Mr. NEILL: A subsection was allowed to stand for redrafting.

Mr. MOTHERWELL: Subsections 7 and 8 of section 4.

Mr. WEIR (Melfort): The hon. member for West Edmonton (Mr. Stewart) asked that subsection 9 of section 3 be allowed to stand.

[Mr. Mackenzie King.]

Mr. NEILL: I am referring to subsections 7 and 8 of section 4. Subsection 7 reads:

The board may utilize the fund created by the charges or tolls in connection with the exercise by it or by a local board of any of its powers or for the pooling of returns.

And so on. That stood for redrafting.

Mr. DUPRE: Subsection 9 of section 3 was allowed to stand, and we will deal with that first.

On section 3, subsection 9—Payments authorized.

Mr. DUPRE: I move that subsection 9 of section 3 be deleted and the following substituted therefor:

The governor in council may from time to time authorize payment to the board, out of moneys to be appropriated by parliament, of such sums of money as may be required to assist in the organization of local boards, to defray the operating expenses of the board incurred by it directly, and any expenditure incurred or authorized by the board under the authority of section 9 hereof.

Mr. MACKENZIE KING: The first part of this subsection in connection with the appropriation of money by parliament was agreed to, but the section was then held over in order to add that part referring to the assistance to be given for the organization of local boards. I am not taking exception to this amendment but I would direct the attention of the committee to the fact that under the British act the local boards organize themselves and then subsequently come to the central body which thereafter may assist them financially, or in ways that may be necessary. What is here proposed, like most everything else in this act, is the other way around, it enables the governor in council out of the public treasury to assist in the formation of boards which may have to do with the limiting of production and the restriction of trade. As long as that is what the minister intends to do, all right, but we should know how far we are going.

Amendment agreed to.

Section as amended agreed to.

Mr. DUPRE: I move that the following be added to section 4 as subsection 7:

A fund created by charges or tolls imposed in connection with the scheme of regulation may be utilized by the board or by the local board, if so authorized by the board, for the purposes of such scheme, including the creating of reserves and in the case of charges or tolls imposed in respect of the marketing of any product under the direction of any board or agency established under the law of any province to regulate the marketing of any natural product, the board may direct that the charges or tolls be utilized by and for the purposes of such board or agency.

Mr. ELLIOTT: What is intended by this change?

Mr. WEIR (Melfort): When subsection 7 was under discussion a point was raised by the hon. member for Melville (Mr. Motherwell) in connection with the pooling of returns. After consideration it was felt that matters would be clarified by giving the board power for pooling and by substituting this amendment for subsection 7.

Mr. NEILL: The minister has not mentioned pooling at all.

Mr. WEIR (Melfort): It was felt it would clear up matters to have that in an additional subsection. In order to bring the whole thing in conformity, it will be necessary to change number 6.

Mr. NEILL: Will an amendment be introduced later on dealing with pooling?

Mr. WEIR (Melfort): Yes.

Mr. GARLAND (Bow River): Will the local board have power to disburse funds?

Mr. WEIR (Melfort): Yes.

Mr. GARLAND (Bow River): Full power?

Mr. WEIR (Melfort): Yes.

Mr. NEILL: It deals only with incidental charges?

Mr. GARLAND (Bow River): Am I correct or is the hon. member for Comox-Alberni?

Mr. WEIR (Melfort): The disbursements are covered in amendments 5 and 6.

Mr. GARLAND (Bow River): Do they cover disbursements by the local board for whatever purpose the local board may consider necessary in the development of pooling, let us say?

Mr. WEIR (Melfort): Yes.

Amendment agreed to.

Mr. DUPRE: I move to add the following as subsection 8 of section 4:

Any charge or toll imposed by the board pursuant to this section shall be a debt due to the board recoverable by legal action and a certificate under the hand of a chief executive officer of the board or of the local board, or board or agency established under the law of any province to regulate the marketing of any natural product as the case may be, acting as agent of the board as herein provided shall be prima facie evidence that the amount stated therein is due.

Mr. WEIR (Melfort): There is no material change in this; it is only to read in conformity with 7.

Amendment agreed to.

Mr. DUPRE: Before we go any further I move to delete present subsection 6 of section 4 and to substitute therefor the following:

Whenever the board or a local board cooperates or acts conjointly with any board or agency established under the law of any province to regulate the marketing of any natural product the board may similarly impose charges or tolls in respect of the marketing of the whole or any part of the product marketed under the direction of such board or agency and may authorize such board or agency to act as the agent of the board in collecting and disbursing such charges or tolls.

Mr. NEILL: The minister has not kept faith. If that is all the amendment, we have not got down to pooling yet.

Mr. GUTHRIE: That is coming.

Mr. NEILL: Is this where pooling is to be found?

Mr. WEIR (Melfort): That will be found under subsection 1, clause (c).

Mr. NEILL: Would it not be better to take the subsections in their order instead of going backward?

Mr. DUPRE: These are all tied together.

Mr. GARLAND (Bow River): The amendment as I heard it read referred to any natural product. Does that mean any natural product within the meaning of the act?

Mr. WEIR (Melfort): Yes.

Amendment agreed to.

Mr. DUPRE: I move to delete clause (c) in subsection 1 of section 4 as carried and to substitute the following therefor:

to conduct a pool for the equalization of the returns received from the sale of the regulated product; to compensate any person for loss sustained by withholding from the market or forwarding to a specified market any regulated product pursuant to an order of the board; provided that no compensation shall be paid in respect of a regulated product that may be withheld from a particular market because the grade of such product is deemed by the board to be unsuitable for such market, or because of restrictions imposed by the government or other competent authority of any other country upon the importation of any regulated product into that country.

Mr. WEIR (Melfort): The only change is the addition of these words:

to conduct a pool for the equalization of the returns received from the sale of the regulated product.

Mr. NEILL: Perhaps the minister would allow the committee to rise now so that we may study this during recess.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

The CHAIRMAN (Mr. Bury): The amendment, I believe, was to subclause 1 of clause 4, dealing with pooling. Has the amendment been read?

Mr. WEIR (Melfort): It has been read.

Mr. NEILL: Perhaps the minister would give us some idea how he proposes to arrange for the carrying out of this pool. I spoke about it the other day, and I do not propose to repeat my remarks. The minister said at that time that he was going to have the item redrafted. I pointed out—page 3225 of Hansard—that in the New Zealand act of 1923 they provide for pooling. But they go further. Pooling is a very general term; we do not understand anything very particular concerning it except the general idea that the receipts shall be pooled and divided, presumably equitably. But there is no provision for that in this bill. In the New Zealand act they prescribe what shall be done, and I think it would be desirable to follow that procedure here to some extent. They provide that the receipts from the produce shall be paid by the board into a separate account in a bank. I think that is highly desirable so that it will be earmarked. Then it says it shall be applied by the board in certain ways. The minister may say that he is going to arrange for all this by regulation, but in New Zealand they thought it worth putting in the act. They provided for six different things; for payment of expenses and commissions and other charges; salaries and wages; travelling expenses, and repayment of advances made by the board to owners. Then provision is made for creation of a reserve fund—that is a very important thing; and finally the balance is to go to the owners of the products. The minister may say: Well, the local scheme will provide for all these things. But the local schemers are more intent on their local problems; they see it only in the light of their local conditions, and I suspect they are not going to provide for all these features. I am not going to press the matter to an amendment; if the minister will not listen, the responsibility is his. But would it not be a good thing to provide now that the receipts shall be pooled, and to set up some safeguards for the benefit of the producers and also of the board as to the handling of the funds, what expenses are to come out, and the final balance to be paid to the producers?

[Mr. Neill.]

Mr. WEIR (Melfort): We have traversed this ground in our preparation of the bill, and we feel that these features can best be handled with it in its present form. Different schemes of pooling may be submitted, but as the direction will be under the dominion board we feel that through it uniformity will be attained as far as is desirable, at the same time leaving enough latitude to meet the different plans of pooling that may be brought forward. Regulations required to give effect to the particular manner of pooling suggested by local boards will be submitted to the governor in council on the recommendation of the board. The board itself will be the instrument to give uniformity.

Mr. NEILL: The dominion board?

Mr. WEIR (Melfort): Yes.

Mr. NEILL: I hardly gathered that from some previous remarks. I understood that the minister was going to allow a great deal of latitude to the local boards. Now I gather that he is going to keep the control in the hands of the dominion board, to which I take no exception; I think it is a good thing, but it makes it all the more reasonable that the powers should be defined. I thought he said he was going to leave it to the local boards, which require perhaps some vagueness in definition, but if it is to be done by the dominion board, and he is going to get a certain basis of policy that will extend to all these groups, what objection can there be to putting some of the conditions in the bill? I feel he is going to make a good deal of trouble for himself. For instance, the idea that the money should be earmarked; is there any reason why the money should not be put in a separate fund instead of some common fund?

Mr. WEIR (Melfort): The hon. member misunderstood me if he got the impression that we were not allowing as much latitude to local boards as I have at previous times stated. Because of the flexible nature of the bill, ample freedom will be allowed for different suggestions or policies to be set forward. The principle will be under the control of the dominion board, but it will be capable of variation. For example, in Ontario they might wish to form a board to deal with one kind of fruit, setting aside funds to equalize the proceeds from that particular kind of fruit. They might also wish to set up a fund to equalize payments over different kinds of fruit. I can assure the hon. member that he is just covering the same difficulties that

we considered in the preparation of this bill, and after the fullest consideration we felt it better to allow the freedom for which we have provided; yet the approval of a scheme by the dominion board will in itself provide for uniformity.

Mr. NEILL: Just one more question. The minister says he is going to leave the greatest latitude to the local boards. That is desirable, perhaps, but there are certain standard things, not questions of right and wrong but of good business principles, that cannot be gainsaid and must be accepted, and that we could accept right now. For instance, suppose a little local board, interested only in its own affairs, arranged that an advance payment which turned out to be excessive should be made to the fruit growers; they pay perhaps what they think is ninety per cent of the value and it turns out to be one hundred and twenty per cent. There is trouble right there which could be obviated if we or the board set certain standards suggested by common ordinary business sense. Some people would think it a fine thing to get all they could out of the fruit in the first place, but later they would be confronted with the situation that it sold for less than they expected, and who is going to pay the expenses? All kinds of things like that might happen from lack of business experience. Why not set certain standard gauges within which the local board would have to operate? The minister says he is going to see that they are in agreement with general business principles. Why not put that in the act so that they may start off in that way, instead of starting off wrongly and getting into trouble for having done so?

Mr. WEIR (Melfort): I feel that too many conditions must be taken into consideration to place any narrow limit in this regard. I fully appreciate the difficulty of the hon. member, but so many conditions may arise that we feel it much better to retain this provision.

Mr. MOTHERWELL: Before we pass on to part II of the act, which is the investigational rather than the marketing part of the bill, might I ask the minister if he intends to have any proviso inserted with regard to the status of the local boards? I was unavoidably absent one evening when this bill was under discussion, and it may be that this was dealt with at that time. I remember bringing up the matter, not by way of amendment but merely as a suggestion a day or two previously. Will the government or the central board have a representative on the local board, providing the very necessary contact between the central board and the local board and in some measure at least representing the consumer? Will the provincial government of the province in which the petition originated have a representative on the local board? Will the producers themselves have two or more representatives on the board and will the unorganized producers, the coerced minority if you like, or any organized body other than the one presenting the petition, have representation? That would give a total of five members of the board. It seems to me, with the tremendous powers to be exercised by the local board, that it would give some assurance to the public if the central board had some representation on the local board, which has to do with administration salesmanship. It would give some little feeling of security to know that the consumers would be kept in mind, at all events, by the board administering the marketing scheme of which it had charge. I do not think anything has been done in that regard and it is in the interest of even the producer himself that it be provided for. I have asked a number of members, and they were not aware that any change of that kind had been made, so the minister will forgive me if I have dealt with something already covered.

Mr. WEIR (Melfort): In the absence of the hon. member the other evening no constitution of the board as such was set out; it still remains open, so far as the selection goes; no change has been made. I see a great deal of merit in my hon. friend's recommendation. If the majority of the board were producers, in many cases it would be advantageous for them to have the trade represented, and also to have a representative of the provincial or federal department. But in the province of Ontario, for example, a scheme might be submitted and the province might desire very strongly to have a representative on the board, while in some other province that would not be thought the best course of procedure. So I feel, as I have stated, that the board in its supervisory capacity in connection with all schemes will be in a better position to work out the constitution of a local board than would be the case if we set it out in the bill.

Mr. MOTHERWELL: I had in mind the strong argument—not my argument, I may say—used so frequently against this bill; I refer to its compulsory nature. Under present conditions that does not worry me very much, but I should like to have that difficulty minimized as much as possible. By

having a representative of the minority or of other bodies not already represented on the board I believe that argument would be done away with to a large extent. In some cases the minority may number a third of the total producers, or even more. If my hon. friend took the notion a petition would not be needed; he has authority to act without a petition. On the other hand he might require one hundred per cent of the producers to be in favour of the scheme. I hardly suppose either of these extreme cases will come about, nevertheless the provision is there. I think it would reduce the opposition to a minimum if a flexible favourable vote were inserted, say from sixty-six and two-thirds per cent to eighty-five per cent, as I previously suggested. Then the minister would have discretion to choose between those limits, and he could also have a representative of the minority on the local board, which after all is the important salesmanship body.

If that were done it seems to me these complaints about coercion and compulsion would be very greatly reduced. There is bound to be an element of compulsion in any scheme of this kind; if no compulsion at all were exercised one man out of a hundred could hold up the entire scheme, which would be absurd. But if the favourable vote could be set at between sixty-six and two-thirds per cent and eighty-five or even ninety per cent, just to give the minister a range within which to choose, depending on the commodity in question and other circumstances, I should think an immense responsibility would be removed from his shoulders. I should think he would jump at the chance, because under the present bill he will find that he must assume a tremendous responsibility. I do not think it is well, either for the sake of the bill or for the sake of the minister, that he should carry such a responsibility when it can be so easily removed in the manner I have suggested. I am not going to press the matter; I simply felt that I would like to draw it to his attention.

Mr. WEIR (Melfort): I appreciate the suggestions of the hon. gentleman. The bill is based on the assumption that the producers are themselves most concerned with the success of their scheme. Knowing the difficulty of forcing a group into the scheme, perhaps to a great extent against their will, I feel that the producers would be the first to realize the importance of securing their cooperation by having the minority name one member of the board. Perhaps in most cases these minorities will be organized in their opposition, and in that case it would be a simple matter for them to select a representative on the board. But difficulties may arise; there may be two or three groups opposing the scheme, or the opposition might not be organized at all. I had quite a definite constitution set out in the first draft of the bill, but because of some of the difficulties I have suggested I felt that it would be better to leave the question open in that regard.

Then with reference to the other suggestion of the hon. member that a range should be stated, between sixty-six and two-thirds per cent and eighty-five per cent; the difficulty I see would be this, that the eighty-five per cent would in each case, be held out and insisted upon by the minority, simply because it had been mentioned, and the sixty-six and two-thirds per cent might be held out by the majority because it, also, was mentioned. As I have stated previously I do not think many schemes could hope to succeed with less than seventy-five per cent, but after it gets into operation I believe the board will be in the best position to influence the formation of local boards under schemes, and to create as great a degree of uniformity as we could expect to have under the varying conditions. I appreciate the suggestion made by the hon. member for Melville (Mr. Motherwell), but for these reasons I believe it better to leave the matter open.

Mr. NEILL: If the minister thinks that the first action of the majority of anybody would be to hasten to give representation to the minority, he has more confidence in human nature than I have. I have no doubt that the minister, in common with most hon. members, has advisory committees in his district to give him advice. Has he any recollection of such committees taking immediate or any steps to give the minority in his district representation on the committees? I do not think so. I think I am the only man in the house who tried to do that, and my efforts were not a startling success.

While I am on my feet I should like to make one last appeal in connection with a matter I have brought before the committee on two former occasions. I do not expect that the minister will yield now, but he might give at least some assurance. If he will not put my suggestion in the bill he might assure the committee as to his intentions. I would have confidence in the minister, although I know from experience that officials are not always bound even by assertions made by the minister in the house. I refer particularly to contracts. Some of the schemes may be put into effect immediately while others may not be effected for months or probably years.

Meantime business will try to go on, and we know that business is to a great extent formulated upon the basis of contracts ahead. We do not grow a crop overnight; we have to make contracts stretching out perhaps eighteen months ahead. The minister thought that my objection in that regard could be met by saying that no doubt any local board would be keen to recognize contracts. That is not necessarily so. They may take a very narrow view and say, "We are running this thing, and we will do what we think best." I heard only the other day about a man who said that if the bill passed with no contract provision he was going to cancel certain contracts he was then making because he would have no assurance that the producer would be able to fulfil them. He did not make the statement in any political or nasty sense. If the minister is not prepared to incorporate my suggestion in the bill would he at least give the committee some assurance that when any board is constituted any bona fide contract entered into in pursuance of the ordinary course of business, whether it be for a short or a long period, according to the custom of the trade, will be recognized for the period of its existence by the local board?

Mr. WEIR (Melfort): While in certain instances I agree with what the hon. member for Comox-Alberni (Mr. Neill) has said, I know he would not expect me to make a statement now which would in any way or to too great an extent embarrass a local board. I can say this, however, that what he has said will be borne in mind in connection with the formation of boards.

The CHAIRMAN (Mr. Bury): Shall the clause carry?

Mr. MACKENZIE KING: May I make one suggestion to the minister? It arises out of the second part of the bill but bears upon the part we have been discussing. My suggestion is occasioned by a change which the minister is proposing to make in the second part of the bill. When the legislation was drafted in part II it left to local investigating committees the power to determine what were offences. According to the amendment of which the minister has given notice the ministry intends to do away with the right of the local committees to determine offences, and instead places on those local committees the duty of making reports to the government. What constitutes the offence is set forth in a clause by itself, and undoubtedly the report to the government will help to draw attention to what may be an infringement of that provision. If there were a similar alteration made in the first part of the bill with respect to these powers to create offences being given by local boards, such alteration would go a long way towards meeting the objections I have been raising to the powers the minister is giving. If instead of giving to the local boards, which are as yet unknown and unconstituted, the power to determine what are to be offences—this parliament having only the duty of naming the penalty which is to attach to the offence—the minister would have the local boards report to him or to the governor in council and let the governor in council, which is responsible to parliament, create the offence, thereby having the law made applicable and uniform from one end of the country to the other, we would be proceeding infinitely more in accord with parliamentary procedure, and would be adopting a course which would prove to be a real protection to the producers themselves. I am afraid that, left as it is, the measure will help to penalize the very persons in whose interests it is being passed. For example, if a group of producers determine that a certain kind of action is to be an offence in the particular locale in which they are operating, and such offence is not one applicable generally to the whole of the producers in Canada carrying on similar business, those who are affected will certainly be handicapped. There is another danger which I see, namely that a group of inefficient producers might wish to rid themselves, if I may use that expression, of some efficient producer who is not carrying on his business as the majority of the producers may wish it to be carried on. As I read the bill, an offence might be created by interested competitors which would serve to put such an individual completely out of business, I do not think that is a power which should be given to any group, in any community, at any time. No group of individuals should have the power, through power given them by this parliament, to subject those who are in competition with themselves to the possibility of both fine and imprisonment. I believe the main purpose the minister has in mind could be served if, as I say, instead of allowing the local boards to create the offences they permitted the ministry itself to determine the offences. Though parliament to my mind is the only proper authority. I believe it would be even better if all the schemes presented were dealt with in a similar manner. That is the manner in which the British legislation proceeds. In Britain it is not so much the locality as the ministry which determines the

scheme which shall be made applicable. But localities may make whatever representations or reports they like to the minister, as a guide to what they think will best serve their interests.

Section agreed to.

Mr. DUPRE: Before we proceed I should like to move to amend paragraph (a) of section 4, which has already been adopted by this committee. The amendment is not very important; we simply add the words "to designate" in the second line and the words "or class" at the end of the paragraph. I therefore move:

To delete paragraph (a) of section 4 as adopted, and to substitute therefor the following:

(a) To regulate the time and place at which and to designate the agency through which the regulated product shall be marketed, to determine the manner of distribution and the quantity and quality, grade or class of the regulated product that shall be marketed by any person at any time, and to prohibit the marketing of any of the regulated product of any grade, quality or class.

Mr. MOTHERWELL: I am in favour of that amendment. It means everything.

Mr. ELLIOTT: Could we learn what the effect of the amendment may be?

Mr. WEIR (Melfort): The clause as it was passed provides for regulating the time and place at which, and the agency through which, the regulated product shall be marketed, and the amendment is to make it read "designate" instead of "regulate" the agency. It was felt that as it stood it might be subject to misinterpretation. In the explanation I gave the other day the effect of it was as if the word "designate" had been used. Then the words "or class" have been added at the end to conform with the use of those words in an earlier part of the section.

Mr. GARLAND (Bow River): Is not the real fact of the case that the section of the act which gives the governor in council power to set up a board ought to give the power to set up a board which shall act as a selling agency, while the other clauses do not provide that the local board shall of themselves be the selling agency? Is not the purpose of this clause then to enable a local board to be designated as a selling agency?

Mr. WEIR (Melfort): No.

Mr. GARLAND (Bow River): Then I have misunderstood the purpose of the amendment. How can a local board become a selling agency?

Mr. WEIR (Melfort): The local board cannot become a selling agency but it can direct the channel through which the product shall be marketed. Personally I thought that the words "regulate the agency" would cover that, but after the explanation I gave the other day it was pointed out that it might be subject to misinterpretation, and that is why we have used the word "designate." Just as an individual would wish to bargain or negotiate with the different channels of trade as to how his product should be marketed, the same power is given here, only there is the added volume that would be brought to market under this scheme. But the selling board itself is not a marketing agency.

Mr. GARLAND (Bow River): Are we to take it then that there is no provision in this bill for a local board that will also be a selling agency? If so, this is going to be a disappointment to the producers. I do not understand this part of it at all. I would like the minister to let the committee know just how a local board controlling or regulating a product may undertake the selling of that product itself—let us say a local dairy board.

Mr. WEIR (Melfort): The local board itself does not buy or sell but it does regulate the channel through which the product shall pass, and in that way it has control over the marketing agency. If they do not receive the same service through each channel of trade they can make different arrangements. It is just to deal with that point that this has been added.

Mr. GARLAND (Bow River): In that case, if the growers themselves set up a body or institution for the selling of the product the local board can then designate that body as its agency?

Mr. WEIR (Melfort): If it was felt to be to their advantage.

Mr. GARLAND (Bow River): It is a roundabout way, a very subtle and ingenious way of getting there, but I suppose it might be arranged.

Mr. WEIR (Melfort): I must object to that, because I do not think there will be many cases where there will be a desire to set up a marketing agency of their own, rather than use the existing channels of trade which are engaged in the buying and selling.

Mr. GARLAND (Bow River): For instance, the grain exchange?

Mr. WEIR (Melfort): That might possibly be.

Mr. MOTHERWELL: My hon. friend is due for a lot of disillusionment.

Mr. YOUNG: If I understand this aright it does not apply to the local board at all but to the dominion board.

Mr. WEIR (Melfort): The powers of the dominion board are set out, and the dominion board is given authority to delegate these powers to the local board. It may not be necessary to delegate them at all. It depends on the scheme.

Amendment agreed to.

Section as amended agreed to.

On section 7—board to continue to have authority.

Mr. DUPRE: I move, Mr. Chairman, to delete subsection 1 of section 7, and to substitute therefor the following:

(1) Every scheme established hereunder shall continue in force until terminated by the governor in council.

That is to take the place of the present subsection 1 which reads:

Every local board established hereunder shall continue to have authority to exercise its powers until such time as the governor in council may authorize.

Mr. MOTHERWELL: There is not much change.

Mr. WEIR (Melfort): No, except that the word "scheme" is used instead of local board, that being necessitated by another change.

Mr. GARLAND (Bow River): In the event of the growers themselves originating a plan which is accepted by the governor in council after having been submitted to a vote of the growers, I disagree that the governor in council should have the right to disband that body without any vote of the growers.

Mr. WEIR (Melfort): The bill states that.

Amendment agreed to.

Section as amended agreed to.

Mr. DUPRE: I move to add as a new clause 15 at the end of part I, in order to meet some of the suggestions that have already been made, the following:

15. (1) Within three months after the end of each fiscal year the board shall transmit to the minister a statement, signed by the chairman, of its affairs for the fiscal year in the form prescribed by the governor in council.

(2) A copy of such statement if parliament be then sitting shall within fifteen days after receipt thereof by the minister be laid before parliament, or if parliament be not sitting it shall be laid before parliament within fifteen days after the commencement of the next ensuing session thereof.

Mr. WEIR (Melfort): I may say in explanation that that is to meet the request which the leader of the opposition made the other night that a report be submitted to parliament. We are moving a similar clause at the end of part II.

Mr. MACKENZIE KING: I should like to express my thanks as well as appreciation to the minister for including this amendment. There is just one point I would mention, and that is that the amendment suggest that a report shall be submitted to the minister within three months after the end of the fiscal year. The fiscal year ends with the month of March, so that would make it the end of June before the minister would get the report, and it would be some time after that before it would be laid on the table of parliament. Most of our reports are made to the ministers at the end of the fiscal year and are laid on the table immediately. Could not this report be submitted similarly to other government reports in that respect? This could be effected in the amendment simply by saying that "at the end" of the fiscal year a report shall be made to the minister, instead of "within three months after the end"? Seeking to meet what the minister has in mind, I think this would allow parliament to get a report in time for its consideration. I am suggesting that the words "within three months after," be struck out and the words "at the end of each fiscal year," substituted therefor.

Mr. WEIR (Melfort): I see no objection to that.

Mr. DUPRE: It will then read, "at the end of each fiscal year the board shall transmit," and so forth.

Amendment agreed to.

On section 15—Definitions.

Mr. POULIOT: Has the minister the figures for which I have asked several times in connection with the consumption of farm products?

Mr. WEIR (Melfort): I regret that this report is not yet completed.

Mr. POULIOT: The spread which exists between the 1934 and 1930 prices of farm products is considerable and should be looked into. This means a great loss to the farmers and I am sorry it is impossible to get that information.

Section agreed to.

On section 16—Power to authorirze investigations.

Mr. DUPRE: I beg to move an amendment the purport of which is to strike out the last three words in subsection 1, "any natural product," and substitute therefor the words "any regulated product."

Mr. POULIOT: Did the minister say he was moving that?

Mr. DUPRE: All we are doing is to strike out the words "any natural product" at the end of the subsection and substitute therefor the words "any regulated product."

Mr. POULIOT: The minister says that he moves that?

Mr. DUPRE: Yes.

Mr. POULIOT: If he moves then he is better than the Prime Minister (Mr. Bennett) who does not move at all.

Mr. HEAPS: Would the minister explain what will be the effect of this change?

Mr. WEIR (Melfort): "Regulated product" is the phrase used in every other place in the bill.

Mr. HEAPS: What is the effect of this change?

Mr. WEIR (Melfort): It is really to correct a clerical error.

Mr. NEILL: We have been told both in the house and in the press that the government are taking powers under this bill to go farther than the control of marketing; they are to have power to investigate spreads. It was suggested that these powers were not altogether disconnected with the revelations of the price spread committee. There is no reason why these powers should be restricted to regulated products. To all intents and purposes this part of the bill is a separate bill. We have been dealing with the marketing of natural products and we are now going into a totally different thing. The government has recognized this fact by making a different part to the bill. We are now going to deal with spreads, somewhat along the lines of the combines act, and there is no reason in the world why it should be confined to regulated products. Why not leave it as it is and have it cover any natural product? I think it would be a very retrograde step to confine it only to those articles or products which are the subject of regulation. The hon. member for Winnipeg North Centre (Mr. Woodsworth) suggested the other day that it should cover any product. I would not like to increase the scope of the bill to that extent but if we are to have investigations of spreads I think they should cover all natural products.

Mr. GARLAND (Bow River): From my present understanding of the section I am strongly inclined to agree with the hon. member for Comox-Alberni (Mr. Neill). A case occurs to me where there might be an efficiently functioning milk board. It might be found that in the case of an unregulated product, such as forage crops, alfalfa or somethink like that, the conditions were so chaotic as to lead to a possible disruption of the milk industry. The milk board might want to ask the minister to make an investigation of the price spreads in the forage industry and I see no reason why that should not be done. I do not think the minister would lose anything by leaving this section in its original form.

Mr. MACKENZIE (Vancouver): Is it the intention of the government to introduce further legislation?—because I think the effect of this amendment is to destroy the generality of this portion of the bill. In the interpretation section there are three exceptions to the definition of regulated product, and the amendment proposed to this section would destroy its effect.

Mr. WEIR (Melfort): In subsection (b), spread is defined with reference to any regulated product, and this amendment is to bring this section in conformity with section 15.

Mr. HEAPS: If this amendment is passed, would not it have the effect of restricting the operations of the bill?

Mr. WEIR (Melfort): Yes, somewhat.

Mr. HEAPS: It is very hard at the present moment to see to what extent this amendment is going to restrict the operation of the bill. From what the minister has said, it would appear that this is to apply to those products which are regulated and this bill will have nothing to say with regard to products which have not been approved by the minister or which are under schemes. It may be that there will be only one or two schemes approved and in that case all other products would be barred from any benefits, assuming that any benefits are going to accrue from this bill. If there is going to be any restriction, we might as well understand what it means. If it is not the intention of the government to restrict the operations of this measure, I think parliament and the country in general ought to know.

Mr. TURNBULL: An examination of all the sections of part II will indicate that the original intention of the bill was to have this part apply only to regulated products. Every section except the one in question refers to regulated products. In this one, by a slip, the word "natural" is used instead of the word "regulated." If we are going to change the policy of investigating only regulated products, which was the original intention of the bill, as one can judge from the other sections, to a policy of investigating every natural product under the act, then we shall have to amend every other section, changing "regulated" to "natural" products, because the term "spread" is defined to be a charge made by a person for selling a regulated product. Suppose you leave section 16 the way it is—that the minister may appoint a committee to investigate any spread in natural products: when you come to section 17 the result will be an investigation that provides for action only in connection with regulated products, and if you follow the other sections out later on you will find that the whole purpose of the part was to deal with regulated products and not with natural products that are not regulated. So that it becomes a question whether you will change the word "natural" to "regulated" in section 16, restricting the investigation to what was apparently the original intention of the bill, or whether you will widen your policy to provide for investigation into every natural product.

I fancy there is provision in other acts for an investigation under certain circumstances, in connection with combines and trusts, and if it is desired to have investigations into matters not covered by this bill in the way it is drawn, other bills might be passed for the purpose. But for the moment the investigation in part II is plainly intended to apply only to regulated products, and the use of the words "natural product" in section 16 is a typographical error, which can be left as it is only if you are going to widen the whole process of the bill to apply to all natural products.

Mr. HEAPS: It seems to me that an error of this kind is too important to have crept in accidentally. The typographical error may have been in those sections where "regulated" is used instead of "natural." Many of us have been and are at this moment under the impression that the bill was much wider in its scope—

Mr. TURNBULL: The number of instances in which "regulated" is used in the bill would indicate that the mistake was in the use of the word "natural."

Mr. HEAPS: It seems to me that there must have been the intention somewhere to use the word "natural" instead of the word "regulated," because there is such a vast difference in meaning between the two terms. I can see that under the present provisions of the bill, if the word "regulated" appears all the way through, as suggested, the application of the act may be of such minor importance as to be of extremely little value to the farming community of Canada. Before a natural product can be regulated there must be a scheme upon which the majority in the district must vote, and it must be approved by different bodies and then by the minister in charge; and when you have two or three schemes in operation there may be certain forms of dairy products coming under the regulations, and these would be the only commodities in regard to which there could be any investigation so far as parliament is concerned. If this is to be the situation, then it seems to me that the boon which this measure promises to the farming community will be insignificant. In other words, the mountain will have laboured only to bring forth a mouse.

I have been extremely anxious to support a worth while measure which would provide for a real regulation of basic products, but it is hardly worth while spending two or three weeks of the time of parliament in the discussion of this bill if the result is to be that only one or two things produced on the farm will come under its provisions. It is difficult to get the farmers to organize in so far as certain lines of their products are affected; and when the bill is restricted, as is now suggested, using the term "regulated" instead of the term "natural," I submit that the benefit is out of all proportion to the time and labour spent on this measure.

Mr. GUTHRIE: We are apt to get into great difficulty if we attempt at this point to enlarge the scope of the measure. It was not intended as a measure which would afford a general inquiry into spreads and the like in regard to all natural products. It is in its inception a scheme to produce in Canada something in the way of order in relation to our products, and it prescribes that certain products shall be regulated in the manner set out in the bill.

As regards part II, there is no doubt, when one reads the bill, that the intention of applying it only to regulated products was carried out by the draftsman; but unfortunately in one instance, in section 16, he used the word "natural" instead of "regulated," because in nine other places in part II—and there are only three or four sections—you will find the words

"regulated product." And all the provisions apply to regulated products.

We all realize that this bill is an experimental proposal. It has not yet been tried out in Canada, and you can spoil a measure by extending it too far. Let us try it out in the first instance in connection with those regulated articles which were in contemplation when the bill was drawn; then, if it does not serve its purpose, there is ample time hereafter to extend it or to limit it, and if anyone wants an inquiry into spread, or greater legislation than we now have in regard to these matters, there are other acts that can be amended. But so far we have proceeded on the single principle of dealing with regulated products, and it would be unwise now, without a great deal of consideration, to widen the scope of the measure at the present time.

Mr. WOODSWORTH: It would seem to me that some such investigation as this might very well be a preliminary step in the setting up of various schemes. Natural product is already defined in the second section, and it is defined to include:

> Animals, meats, eggs, wool, dairy products, grains, seeds, fruit and fruit products, vegetables and vegetable products, maple products, honey, tobacco, lumber, and such other natural products of the forest, sea, lake or river, and any article of food or drink wholly or partly manufactured or derived from any such product that may be designated by the governor in council, in accordance with the provisions of this act.

This provision is wide enough to cover a great many of the products in which to-day, we believe, there are very unnecessary spreads and in the handling of which there is a great deal of waste, in addition to many of the evils that have been revealed in connection with the present investigation. It seems to me that a great many farmers and other producers might hesitate before entering upon any scheme until they were convinced that it was in their interests to do so, until it had been very clearly shown to them just where the evil lies in the present way of handling things. Under these circumstances an investigation would be highly desirable. Further than that, supposing a board handles one particular kind of product. There are other products that may occasionally be substituted for one that is regulated. It would not be possible to carry out adequately the regulation of one product unless possible substitutes for it were also regulated. As a step towards that regulation an investigation such as is made possible under the bill as it now stands seems to me highly desirable. Instead of extending the scope of the bill the minister is now asking us to restrict it. I hope he will see his way to hold it as it was originally drafted.

Mr. BROWN: It will be a matter of keen disappointment to many that the government has put this limitation upon the scope of this bill. For myself I was prepared to accept this part II as in some measure a redeeming feature of the bill, although I think that this matter should be dealt with in a separate measure. I thought this bill was perhaps in some degree a response to the demands made more than once by way of resolution in this house, both last session and this, for investigation into price spreads not only in natural products but in all products. With the arguments advanced by the two hon. members from Winnipeg I am sure that those who represent farming communities are in hearty accord. The limitation of the scope of this bill in my judgment makes it likely to be of very little value. What we want is investigation not only in the spreads in prices of farm products, processed products, but also into the spreads in prices of all products. It seems to me more reasonable to put these matters all under one bill than to make a special bill for investigation into the spreads of these regulated products.

Mr. TURNBULL: Did not my hon. friend vote against having any investigation into anything?

Mr. BROWN: I did not.

Mr. TURNBULL: On the second reading?

Mr. BROWN: Hon. members on the other side are very anxious to twist things so as to seem to put us in the wrong.

Some hon. MEMBERS: Oh, oh.

Mr. BROWN: Personally I object to a bill that is full of poison even if there happens to be a little good meat in it. While I objected very strongly to the first part of this bill, it does not necessarily follow that I am opposed to investigation into spreads. I think any one who is gifted with an ordinary sense of logic would recognize that. But we constantly get arguments from the other side which, as I had occasion to say a few days ago, are scarcely worthy of a debate in a country schoolhouse.

Mr. MACKENZIE KING: A reference to some remarks made in an earlier part of the debate will throw light on the reasons for the proposed change. On May 14, when the Minister of Trade and Commerce (Mr.

Stevens) was in the house, I asked the minister the following question as reported on page 3004:

May I ask the minister whether part II of the marketing bill, which deals with investigations, is intended to relate to the work of this committee, to serve the purpose of carrying on the kind of investigations the committee may wish to have made, or whether that part of the marketing bill is wholly apart from the work of the price spreads committee?

At the time we were discussing interim supply in connection with the work of the different committees of the house.

Mr. Stevens: The provisions of any legislation now before the house did not emanate from any committee; that is clear. It is quite obvious, however, to any student of the situation that there is much in the marketing act, for example, that with intelligent anticipation might be declared to be useful in dealing with problems which may be dealt with by the committee. To what extent, of course, I cannot hazard any expression of opinion at this time.

Mr. Mackenzie King: It seemed to me on reading the bill that part II was the kind of measure which possibly the minister would have brought in after the report of the committee had been made, in other words, that he was anticipating the report to-day and giving us legislation in advance.

Mr. Stevens: The right hon. gentleman will note that the marketing bill deals largely with agricultural and natural products.

Mr. Mackenzie King: Yes, natural products as defined and investigation into a wide field of operations.

Mr. Stevens: The price spreads and mass buying committee deals with that, of course, but deals with mercantile business generally, which is much wider in its scope.

I submit the ministry ought to tell us quite frankly whether this change is being suggested at the moment in order to confine this measure solely to natural products as set forth in the definition, with the intention of later this session bringing in legislation which will provide for investigation into such matters as those for example that the price spreads committee is inquiring into. If it is the intention of the government to bring in further legislation we should be advised of that now, because it would undoubtedly affect our attitude with regard to the provisions of part II of this measure as it stands. If the government does not intend to bring in further legislation to provide for investigation under proper conditions into all these matters into which the price spreads committee is inquiring at the present time, I think this part II ought to remain as it is without change in the nature of any restriction of its scope. If there is any change to be made it should not be made in the section now being discussed, changing "natural product" to "regulated product," but whereever the words "regulated product" are used in the other sections there should be substituted the words "natural product" or "any product."

When the bill was originally introduced I took strong exception to part I. I have further made known my reasons for that exception quite openly and frankly in the discussion. But I said at the beginning that I strongly favoured the provision for investigation in part II of the measure because I believed there were many evils which publicity would cure much more effectively than penalty. And while there were in part II certain sections that I thought ought to be altered, I still favoured anything that with proper safeguards to innocent parties would at least provide facilities for investigation of unfair or unethical practices or industrial abuses of any kind. I want to take that position very strongly at the present time. I want to make the part of this bill relating to investigations just as wide as it can possibly be made, to enable the ministry—with proper safeguards to innocent parties of course, to prevent political pressure dictating the investigations to be made—to make it just as wide as it can be made to permit of thoroughgoing investigations into practices that are unfair or unethical in business or other matters; and in that connection to begin with primary products and have the measure extended so as to include any class of commercial or business transaction as well as production and trade.

Mr. GUTHRIE: I am sorry that I cannot give my right hon. friend any assurance that legislation will be introduced this session to carry out any suggestions or reports which may be made by the Stevens committee, which has been sitting for a long time and which has not yet concluded its sittings. I have no doubt that the committee will make a report, and it will depend upon what that report is as to what legislation if any will be introduced. On that point I can give no assurance at the present time.

But there is this to be said in favour of this bill as it stands. It includes a very general and generous line of natural products. Under the new definition it includes:

Animals, meats, eggs, wool, dairy products, grains, seeds, fruit and fruit products, vegetables and vegetable products, maple products, honey, tobacco, lumber, and such other natural products of the forest, sea, lake or river, and any article of food or drink wholly or partly manufactured or derived from any such product that may be designated by the governor in council, . . .

That is a very full and complete list. If any scheme is proposed and adopted in regard to any one of these enumerated articles, it becomes a regulated product, and the fullest investigation can take place in regard to it. So I think that for our present purposes we are on pretty safe ground if we leave the bill as it is with the amendment now proposed, and if after the Stevens committee has reported, legislation is necessary in regard to that matter, I have no doubt that suitable legislation will be introduced. I agree with the hon. member for Lisgar (Mr. Brown) when he says that in his opinion any act to authorize an inquiry in regard to price spreads in general should be a separate act and not involved or connected with what is a marketing bill pure and simple. I think we would be on safer ground to treat this as a marketing bill in regard to regulated products, in accordance with all the clauses which heretofore have been passed, and await the report of the committee now sitting in regard to price spreads. If legislation then becomes necessary, by all means let us have it.

Mr. COOTE: Might I direct the attention of the minister to section 9, under which the minister, if he is satisfied that trade and commerce in a natural product is injuriously affected by the lack of a local board, may at any time propose a scheme for the marketing of that product. Surely the minister should have the power conferred under section 16 to authorize an investigation into the costs of production, price spreads, trade practices and all these other matters, to enable him to determine whether he should set up a board for this very purpose. How else is the minister to determine whether that local board should be set up for that particular product? If there has been no application made to him which would bring the product under the terms of this section, surely the minister needs this power so that he may know whether that board is necessary.

Then may I say that in my opinion if any worth while use is to be made of this marketing act the minister must set up machinery for the express purpose of investigating this question of spreads and other matters in regard to natural products. Surely that machinery, once it is set up, should be used for all this investigational work, whether or not it is in regard to a regulated product. At the start we have no regulated products; the amount of investigational work done by the minister or by somebody else is going to determine how many boards will be asked for, or rather the number of products for which regulation will be asked, and certainly I think the minister would be well advised to take advantage of this machinery. I do not see how it can weaken the act in any way; it will make it far more worth while, and I think it will secure for the act a larger measure of support from some who are perhaps very lukewarm with regard to the first part of it. Personally I think section 16 should be left as it is at present. It may be that it should be amended to read "any natural or regulated product" which would bring it a little more in line with the other sections of the act, but if any other sections require to be changed because the words "natural product" are left in this section, it would not be a very difficult job to amend the other sections so that section 16 would not come in conflict with them. Personally I hope the minister can see his way clear to leaving the words "natural product" in section 16.

Mr. WEIR (Melfort): I see no reason why the word "regulated" should not be changed to "natural," or why it should not read, "natural or regulated product."

Mr. McKENZIE (Assiniboia): I am afraid part II of this bill is designed to anticipate the report of the committee set up a couple of months ago to investigate price spreads, and if this is all we are going to get from the work of that committee by way of legislation then I say it is by no means sufficient. As a matter of fact I have had the matter of price spreads before this chamber on more than one occasion. On February 19, when the present committee was appointed, I made the statement that in my opinion this method was too roundabout to deal with the matter. This committee has been sitting for a matter of two months, and I think the government are beginning to realize that this question is too big to be handled in this way. We are told that the government are paying between $200 and $300 a day for solicitors for that committee, and that already the committee has cost in the neighbourhood of $75,000. If that is the case, Mr. Chairman, I want to say that the sooner we dispense with the solicitors the better it will be. I have sat in the committee on many occasions; I have listened to the work of the solicitors, and in my opinion the committee would get some place if it had no solicitors. As it is, the solicitor is more or less a buffer for the government.

The CHAIRMAN (Mr. Bury): The hon. member is hardly in order.

Mr. McKENZIE (Assiniboia): Then if I am not in order this section is not in order.

The CHAIRMAN (Mr. Bury): I am only suggesting that the hon. member is not in order in discussing the work of the committee.

Mr. McKENZIE (Assiniboia): Then part II of the bill is not in order. I think the proper thing to do is to drop part II and bring in something that will more adequately deal with the question of price spreads.

Mr. WOODSWORTH: Mr. Chairman, I should like to see one word added. The section now reads:

> The minister may, at the request of the board or upon his own initiative authorize an investigation into the cost of production, prices, spread, trade practices, methods of financing, management, policies, grading, transportation and other matters in relation to the production and marketing, adaptation for sale, processing or conversion of any natural product.

I should like to see the word "wages" inserted after the word "prices". Many instances have been revealed in the Stevens committee in which, in the processing, very low wages have been paid. It seems to me that we ought to make it clear that this investigation should be able to include the question of wages. It is quite possible that the words "trade practices" might be stretched to cover the question of wages, but since we are now mentioning cost of production, prices, trade practices, methods of financing and so on, it would be well to specify that consideration should be given to wages as well. There is no class in the community that is more helpless to-day than those people engaged in certain of our packing plants. For the sake of both the producers and the consumers we ought not to allow evil practices of this kind to continue. I think this is a very reasonable request, and I hope the minister may see his way clear to meet us in the matter.

Mr. GUTHRIE: I think wages would be included in the term "cost of production" but I see no objection to specifying "wages" as my hon. friend suggests. Now, in order to get the matter straight, it might be well to move an omnibus motion, to make all the corrections, of which some nine will have to be made. On page 8, at lines 7, 11, 13, 18, 25 and 38, and on page 9, at lines 4, 10, 18, 22 and 30 where the words "regulated product" appear I move that the words "natural or regulated product" be inserted, and that in line 21 on page 8 after the word "prices" the word "wages" be inserted. If that is understood I need not write the motion.

Mr. ELLIOTT: Before the motion is put may I call the attention of the Minister of Justice to this set of circumstances: Where you use the term "natural or regulated product" in regard to a product which is not regulated but is a natural product, do those sections apply?

Mr. GUTHRIE: Yes, part II will apply.

Mr. ELLIOTT: Then it applies to every natural product?

Mr. GUTHRIE: Part II would.

Mr. ELLIOTT: Part II applies to every natural product?

Mr. GUTHRIE: No, "natural product" is defined in the bill.

Mr. MACKENZIE (Vancouver): "Natural product" always includes "regulated product."

Mr. ELLIOTT: No, there are separate definitions for "natural product" and "regulated product."

Mr. MACKENZIE (Vancouver): But one includes the other.

The CHAIRMAN (Mr. Bury): Shall the amendment carry?

Amendment agreed to.

Mr. NEILL: I should like to ask the Minister of Justice if he does not think we should insert the corresponding words in subsection 2 of section 17. It states:

> (2) A committee shall be composed of such number of representatives of producers and persons engaged in marketing, . . .

And so on—"of a natural or regulated product." Otherwise the subsection is left loose, and may include any producers or any marketers. The wording does not follow the rest of the part. It should read that these people should be producers, consumers, and so on, of a natural or regulated product. I refer to the second to last line at the foot of the page. The idea is that the people forming the committee should be associated with the product, and it is so carried out in the rest of the sections. In this particular section however the wording has been omitted. The committee might be composed of producers in some other lines.

Mr. COOTE: Would it not be better to leave the discussion of section 17 until we have concluded the discussion on section 16? The representations made by the hon. member for Comox-Alberni (Mr. Neill) would be in order on that section.

Mr. MACKENZIE KING: The amendment to section 16 is carried, but not the section as amended. One point I should like to draw to the attention of the minister is this: At the moment everything in connection with investigation rests on the initiative of the minister. The terms of the section are now quite wide, and under it the minister can investigate anything. I do not take exception to that, because I believe that if he wished it, the minister would have that power anyway. I do think, however, that there is a real possibility of the section as it stands being used to work a certain amount of injury on individuals, as a result of political pressure if it is to be used at all by the ministry. I do not make this statement in an offensive manner, and I make it as being applicable to any ministry at any time. My statement is that if by statute you leave in the hands of a ministry the making of investigations into anything, and you do not surround that authority by any kind of precaution as to the basis upon which the investigation is to be made, or anything of that kind, there will be perpetual pressure brought to bear upon the ministry to investigate anything and everything anywhere and everywhere and a ministry might conceivably see to it that where its friends were concerned there would be no investigation, but where opponents were concerned there would be speedy and possibly vexatious investigation. That is the danger in all such legislation, and I suggest there ought to be some kind of safeguard thrown around the matter of inquiry which would at least stipulate that investigations should be made as the result of representations by some parties who will state that they have some kind of reason for believing that matters ought to be investigated. If it is to be left entirely to the initiative of the ministry, it is almost a foregone conclusion that such initiative will be exercised at the instance of political friends against political opponents. If a minister wished to be partisan, that would be the inevitable result. In order to overcome such a difficulty, there should be at least a clause which would state that the investigation was to be on the representation of some group properly representative, and as a result of their having shown cause why investigation should be made by the ministry. But certainly if it is left in the way it now stands, whereby the initiative either to give or to withhold an investigation lies wholly with the minister, and there is no opportunity for other parties to secure investigation except at the will of the ministry, I am afraid the provision will become a huge political weapon. I am afraid, as a consequence, the provision will have very little effect, except to achieve the ends I have described.

Mr. WEIR (Melfort): If the right hon. gentleman's contention is correct, that the provision could be used as a political weapon, in the event of a minister desiring so to use it, I feel the right hon. gentleman would agree that there would be no great difficulty in getting five or six people belonging to any party to make such recommendation. I realize that there is a good deal of truth in what the right hon. gentleman has said, but I do not see how the section could be qualified.

The CHAIRMAN (Mr. Bury): Shall the section as amended carry?

Section agreed to.

On section 17—Committee to deal with spread.

Mr. GUTHRIE: The hon. member for Comox-Alberni has suggested that we insert after the word "consumers" in the forty-second line the words "of a natural or regulated product." I think it would be better to amend it in another way. The first subsection of section 17 gives the minister power to appoint a committee. He may, at the request of the board, or on his own initiative, apopint a committee to inquire into the spread in connection with the marketing, adaptation for sale, processing or conversion of a regulated product. That would mean a natural or regulated product. Then, subsection 2 should begin with the words "such committee," and thereby we would avoid any further amendment. Subsection 2 would then read:

(2) Such committee shall be composed of such number of representatives of producers and persons engaged in marketing, adaptation for sale, processing or conversion, and consumers.

And so on. The committee is limited to inquire into some natural or regulated product.

Mr. NEILL: Yes, the committee would be limited in the scope of their inquiry, but their selection would not be limited to people connected with the trade. There might be an investigation in connection with sugar beet production, and it might be possible to appoint coal miners to do the investigating. I agree with the introduction of the word "such," but I think it should also contain my suggestion as well. The section does not state that the committee shall be composed

of people associated with a particular product, unless the words I have suggested are inserted.

Mr. WEIR (Melfort): I think the hon. member will agree that any committee could not be confined to producers alone.

Mr. NEILL: I am not asking that.

Mr. GUTHRIE: "Persons engaged in marketing, adaptation for sale, processing or conversion, and consumers," and then the words suggested by my hon. friend, "of such natural or regulated products;" what do you say to that?

Mr. WEIR (Melfort): No, for this reason. There would have to be experts outside of the members on the committee to do the actual work of the investigation, and to be certain that it would have on it representatives of the producers and so on. It would not be possible to select from a committee of producers of the regulated or natural product, as set out here, those of the proper qualifications to carry on such an investigation.

Mr. GUTHRIE: I think if we were to change the first word in the subsection, "a," to "such," it would serve all purposes. I therefore move, Mr. Chairman, to strike out the first word, "a," in subsection 2 and substitute therefor the word "such."

Amendment agreed to.

Section 17 as amended agreed to.

On section 18—powers of committee.

Mr. DUPRE: It is desired to strike out the word "and" where it occurs in line 6, also to strike out lines 7 to 10 inclusive. I move, Mr. Chairman, that subsection 1 of section 18 be deleted, and the following substituted therefor:

18. (1) A committee shall have power to investigate all operations occurring in connection with or in the course of marketing, adaptation for sale, processing or conversion of the natural or regulated product for the purpose of ascertaining the spread received by any person in the course of such marketing, adaptation for sale, processing or conversion.

Mr. WEIR (Melfort): I might point out that the deleted part of subsection 1 is included under another clause.

Amendment agreed to.

Section 18 as amended agreed to.

On section 19—determination by committee.

Mr. DUPRE: I move that section 19 be struck out and the following substituted therefor:

19. A committee may after investigation as hereinbefore provided report to the minister, in connection with any operation occurring in the course of marketing, adaptation for sale, processing or conversion of the natural or regulated product, whether in its opinion the spread received is detrimental to or against the interest of the public in that it is excessive or results in undue enhancement of prices or otherwise restrains or injures trade or commerce in the natural or regulated product.

Mr. MACKENZIE KING: That is a little different from the amendment of which notice was given.

Mr. WEIR (Melfort): Yes, but the change is very slight.

Mr. NEILL: Is there to be no provision for publishing this report?

Mr. WEIR (Melfort): Yes.

Mr. MACKENZIE KING: I should like to say to the minister that I think it is an important change which has been made. The section as originally drafted gave this committee power to determine what was excessive and to fix the offence. By the amendment the committee is given power to report to the minister what in its opinion is excessive. Naturally the report will be used as a means of bringing the whole matter to the attention of the proper authorities and lead possibly to prosecutions, but it does not leave it in the hands of an interested group itself to determine the offence, what is in the nature of an offence is set out in clause 21 of the bill. That is exactly what I was hoping the minister might be persuaded to do with regard to part 1, that he would amend its provisions in a corresponding way. However, having made the amendment he has in this part of the bill, I wish to thank him for it.

Amendment agreed to.

Section as amended agreed to.

On section 20—publication of findings.

Mr. DUPRE: I move to strike out this section and to substitute for it the following:

A committee shall in the manner prescribed by regulations publish every report made by it hereunder.

Mr. MACKENZIE KING: It simply changes the word "determination" to "report."

Mr. NEILL: I object, Mr. Chairman, to the suggestion that the report is to be published under regulations made hereunder. It says, "a committee shall in the manner prescribed by regulations." Is there nothing we can do in this house? Have we to leave everything to regulations? We have been

told time and again that the exigencies of the situation require that the act must be, to use the minister's own words, flexible or, to use my description, vague, because of conflicting jurisdictions, because we do not know what the local board or some other board might think.

But here is a common everyday clause that we find in every act we pass, a provision for publishing something, and we cannot even determine our line of conduct there. We must leave the publication to be determined according to regulations. Cannot we assert ourselves this once and say how this report is to be published, whether in the Gazette or not? There is only one standard way of publishing these things, and that is in the Gazette. Then why not say it shall be published in the Gazette? This matter of leaving everything to regulations is getting cumulative; it is getting on our nerves. Nothing is to be done except by regulations. We began with regulations and we are ending up with regulations. Cannot we assert ourselves in one magnificent gesture and decide that the report is to be published in the Canada Gazette?

Mr. DUPRE: With the permission of the committee I would like to withdraw the amendment I have suggested.

Amendment withdrawn.

Mr. DUPRE: I now move, Mr. Chairman, to strike out clause 20 and to substitute therefor the following:

20. (1) Any report of a committee shall within thirty days after its receipt by the minister be made public, unless the committee is of the opinion that the public interest would be better served by withholding publication and so states in the report itself, in which case the minister may exercise his discretion as to the publicity to be given to the report in whole or in part.

20. (2) The minister may publish and supply copies of any report in such manner and upon such terms as to him seems most desirable.

Amendment agreed to.

Section as amended agreed to.

Mr. DUPRE: I beg to move that the following be added as a new section 21:

(1) Whenever in the opinion of the committee an offence has been committed against this part, the minister shall remit to the attorney general of any province within which such alleged offence shall have been committed, for such action as such attorney general may be pleased to institute, the evidence taken on any investigation by a committee and the report of the committee.

(2) If within three months after remission aforesaid, or within such shorter period as the governor in council shall decide, no such action shall have been taken by or at the instance of the attorney general of the province as to the governor in council the case seems in the public interest to require, the attorney general of Canada may permit an information to be laid against such person or persons as in the opinion of the attorney general shall have been guilty of an offence against this part.

Mr. MACKENZIE (Vancouver): There would not be any reference in any of the provincial acts to the present section 21 because as I understand that section it deals entirely with questions of trade and commerce, which are under the exclusive jurisdiction of the federal authorities. I do not see how the provincial governments could prescribe penalties for offences described in the present section 21.

Mr. GUTHRIE: They would provide penalties only for offences committed under their own acts. I do not know whether the penalties are similar.

Mr. MACKENZIE (Vancouver): It would not refer to this section.

Mr. GUTHRIE: The last clauses read were taken from the combines act.

Mr. NEILL: Are we not going to end up with a sort of imitation of the combines act and are we not infringing on the jurisdiction of that act?

Mr. GUTHRIE: It is not an easy thing to state that every clause of this bill is within the jurisdiction of this parliament. Some very nice questions may arise but we have used all the ingenuity and knowledge of the law officers of the department to produce a measure which we believe is within the jurisdiction of this parliament. The clauses just read are taken from the combines act. Under these clauses it will be the duty of the minister to transfer the report to the attorney general of the province concerned. The administration of law, both civil and criminal, is under the jurisdiction of the provinces and not of the federal government. If the attorney general of a particular province takes no action for a period of three months, power is given to the attorney general of Canada to lay an information on the order of the governor in council.

Mr. NEILL: Are we not just duplicating these other acts?

Mr. GUTHRIE: There is a duplication to some extent but these clauses have stood the test and they were thought to be valuable in connection with this bill.

Mr. MACKENZIE KING: I should like to make sure that there is no intention on the part of the government to repeal the Combines Investigation Act.

Mr. GUTHRIE: Not that I know of.

Mr. MACKENZIE KING: As long as that is understood, it is all to the good to incorporate in this bill some of the provisions of the Combines Investigation Act. I should regret for any reason to see the Combines Investigation Act repealed.

Mr. GUTHRIE: I have not heard of a suggestion of that kind.

Amendment agreed to.

On section 21—Penalty for infraction of provisions respecting spreads.

Mr. MACKENZIE KING: Have the words "natural or" been added in line 30 of this section?

Mr. WEIR (Melfort): Yes.

Mr. MACKENZIE KING: Are not the provisions of the criminal code with respect to excessive prices, restraint of trade and the like to all intents and purposes the same as the provisions of this section?

Mr. GUTHRIE: The effect will be the same although I am not sure as to the exact language.

Mr. ELLIOTT: Has a similar section been enacted by the various provincial legislatures?

Mr. GUTHRIE: I am not sure whether the penalty clauses are the same.

Mr. ELLIOTT: My recollection is that in the Board of Commerce case it was held that regulations such as these and the penalties imposed for infractions thereof were not within the powers of the federal parliament. I have no doubt the Minister of Justice (Mr. Guthrie) is quite familiar with that case. Certain clothing men in Ottawa were charged with having charged excessive spreads with regard to clothing. Penalties were imposed but it was held that they were not within the jurisdiction of the federal parliament. I assume that the Minister of Justice has considered whether or not this section would be ultra vires because in another section of the bill it is provided that any part found to be ultra vires shall be excluded but that the rest shall be effective. Under the decision of the commerce case it would seem that no conviction would stand unless there was a similar provision in the various provincial acts.

Mr. GUTHRIE: Following the commerce case, there is no doubt that any matter falling within the classification of property and civil rights would be held to be under provincial jurisdiction. But there are many things which will arise under this act in the way of trade and the regulation of trade which would not fall within provincial jurisdiction. In regard to such matters this penalty clause would have application, but in regard to provincial matters the same decision would be reached as was reached in the Board of Commerce case. In such cases, proceedings could be taken under the provincial acts.

Mr. ELLIOTT: Does not the minister think that they should be as nearly uniform as possible?

Mr. GUTHRIE: That is my opinion but the provincial legislatures have passed their judgment with regard to matters of that kind. I think it would be a very good thing if they were uniform.

Mr. MACKENZIE KING: Is this the section with regard to penalties?

Mr. WEIR (Melfort): Yes.

Mr. MACKENZIE KING: So that the matter may be on record, will you be good enough, Mr. Chairman, to read the section? I think it is practically the same as the provision in the criminal code.

The CHAIRMAN: The section reads:

Every person who, to the detriment or against the interest of the public, charges, receives or attempts to receive any spread which is excessive or results in undue enhancement of prices or otherwise restrains or injures trade or commerce in the natural or regulated product, shall be guilty of an indictable offence and liable to a penalty not exceeding five thousand dollars or to two years' imprisonment or, if a corporation, to a penalty not exceeding ten thousand dollars.

Mr. MACKENZIE KING: The penalty as set forth here, as well as the nature of the offence, is very similar to what is contained in the criminal code, section 498:

Every one is guilty of an indictable offence and liable to a penalty not exceeding four thousand dollars and not less than two hundred dollars, or to two years' imprisonment, or, if a corporation, is liable to a penalty not exceeding ten thousand dollars, and not less than one thousand dollars, who conspires, combines, agrees or arranges with any other person, or with any railway, steamship, steamboat or transportation company,—

(a) to unduly limit the facilities for transporting, producing, manufacturing, supplying, storing or dealing in any article or commodity which may be a subject of trade or commerce; or

(b) to restrain or injure trade or commerce in relation to any such article or commodity; or

(c) to unduly prevent, limit, or lessen the manufacture or production of any such article or commodity, or to unreasonably enhance the price thereof; or

(d) to unduly prevent or lessen competition in the production, manufacture, purchase, barter, sale, transportation or supply of any such article or commodity, or in the price of insurance upon person or property.

As I read these provisions, they are very similar to this section 21, with the exception that the section before us goes rather further in that it adds the words "or attempts to receive." Every person who, to the detriment or against the interest of the public, charges, receives "or attempts to receive" any spread, and so on. Nothing quite so drastic as "attempts to receive" appears at present in the criminal code. There may be ample reason for it, but it is going pretty far to make a criminal offence of an attempt to receive.

Mr. GUTHRIE: Even unsuccessful attempts to commit crime are punishable under the code; in fact, there is a clause which provides expressly for such attempts. The mere fact that a man has not succeeded may mitigate the sentence to some extent, but the criminal intent was there when he made the attempt.

There is just one matter that has been brought to my attention in regard to the question raised by my hon. friend from West Middlesex (Mr. Elliott). In the Board of Commerce case, the board itself was authorized to fix prices, and that was perhaps the most prominent reason for the holding that the act was ultra vires. There is no attempt here to fix prices; we have avoided that.

Mr. ELLIOTT: The minister refers to the Board of Commerce case and the power there given to the board, and that perhaps applies more to this section with which we are now dealing than to any other part of the bill. There was a finding by the judicial Committee of the Privy Council that the board by the act were empowered to inquire searchingly into these spreads and to attach what might be criminal consequences to any breach of the regulations. An addition of a consequential character such as this made to the criminal law of Canada, it was held, was something that could not be done. Such an addition to the criminal law could not be made.

Section agreed to.

[Mr. Mackenzie King.]

On section 23.

Mr. DUPRE: I move to add the following as section 23:

When an indictment is found against any person for any offence against this part the accused shall have the option to be tried before the judge presiding at the court at which the indictment is found, or the judge presiding at any subsequent sitting of such court, or at any court where the indictment comes on for trial, without the intervention of a jury; and in the event of such option being exercised the proceedings subsequent thereto shall be regulated in so far as may be applicable by part XVIII of the criminal code respecting speedy trials of indictable offences.

Mr. HEAPS: The proposed section refers to persons. Will the Solicitor General define what is meant by "person" under that section?

Mr. GUTHRIE: Person means person, and includes any corporation or any woman.

Mr. HEAPS: So long as it is all inclusive.

Mr. GUTHRIE: This gives the accused the right to elect for trial without a jury, and also provides for speedy trials under part 18 of the code.

Mr. HEAPS: Would it not be just as well to insert the words "or corporations"?

Mr. GUTHRIE: No; "person" is defined in the criminal code.

Section agreed to.

On section 24.

Mr. DUPRE: I move the following as section 24:

The minister shall annually prepare a report of the proceedings taken under this part and shall lay the same before parliament forthwith, or if parliament be not then sitting within fifteen days after the commencement of the next ensuing session.

Mr. MACKENZIE KING: As the minister has said, this is experimental legislation and we are following to a certain extent what has been done in other acts. I would ask him whether he sees any objection to including in this section just the words "including the moneys expended, guarantees given and obligations contracted under this act." These are works taken from the Relief Act; the report to parliament to contain "a full and correct statement of the moneys expended, guarantees given and obligations contracted under this act." I think it would be advisable for parliament to have that information, because this bill gives to the board and the governor in council a pretty free hand in the expenditure of money; it also gives to the board

power to make guarantees and to enter into money obligations. Parliament should be advised of all these things in detail.

Mr. WEIR (Melfort): Would not that be included in this as it reads—"all proceedings"?

Mr. MACKENZIE KING: I do not think so, because if that were intended it would probably not have appeared in the Relief Act if so understood, I am satisfied. The Relief Act reads as follows:

A report shall be laid before parliament within fifteen days after the expiration of this act, or if parliament is not then in session, shall be published and made available for distribution by the Department of Labour, containing a full and correct statement of the moneys expended, guarantees given and obligations contracted under this act.

Mr. WEIR (Melfort): With all due deference, that would not come under part II, because part II has nothing to do with schemes, contracts or anything of that nature, but simply with investigations. It is the report of the investigation committee that would be submitted.

Mr. MACKENZIE KING: I think the minister is right in that, but I would ask him to allow us, if this passes, to revert to part I, and include those words in the corresponding section there. I believe it would be in the public interest to do so.

Mr. WEIR (Melfort): It does not relate to this part.

Mr. NEILL: I notice the word "annually" is used. Would it not be better to use the words "fiscal year" or "calendar year"? "Annually" is vague; he might elect to do it on his birthday. Why not the fiscal year as in the case of other returns?

Mr. GUTHRIE: I do not think it matters much, but I am willing to agree to any arrangement. It is very difficult in a committee of this size to draw clauses to meet the views of everyone. There are a great many clauses in our statutes to-day that are not very good as they stand because they are the result of attempts to meet views here, there and everywhere. "Annually" I think would serve the purpose, but if it makes it clearer to say "the end of the fiscal year", put it that way.

Mr. MACKENZIE KING: The appropriations are for the fiscal year, and we are making them in this act, so "fiscal year" would seem to be the correct thing.

Mr. NEILL: I shall move to insert the words "fiscal year," or perhaps the minister will do so.

Mr. DUPRE: Yes; it would then read:

The minister shall at the end of the fiscal year prepare a report of the proceedings ...

Mr. NEILL: Yes, each fiscal year.

Amendment agreed to.

Section as amended agreed to.

Mr. DUPRE: I move to add the following as section 25:

If it be found that parliament has exceeded its powers in the enactment of one or more of the provisions of this act, none of the other or remaining provisions of the act shall therefore be held to be inoperative or ultra vires, but the latter provisions shall stand as if they had been originally enacted as separate and independent enactments and as the only provisions of the act; the intention of parliament being to give independent effect to the extent of its powers to every enactment and provision in this act contained.

Mr. MACKENZIE KING: There is one point that I wished to ask the Prime Minister about if he had been in the house. Perhaps I may address my remarks to the Minister of Justice. This clause deals with the question of jurisdiction, and the Prime Minister, as the Minister of Justice will recall, dealt with the matter very fully and yet concisely when he spoke on May 18, and again the other day. But I notice this remark of the Prime Minister at page 3197:

But I do say that the dominion parliament in the exercise of its jurisdiction with respect to trade and commerce can confer upon any instrument that it selects the necessary power to act as its agent in the carrying out of its legislative power under trade and commerce.

I do not believe the Prime Minister meant "in carrying out of its legislative power," because what he said elsewhere would indicate that he was of the opinion that as far as the legislative power was concerned that could not be parted with by the federal parliament. What I think the Prime Minister meant to say was, in the carrying out of any provision enacted under its legislative power.

Mr. GUTHRIE: No doubt that was his meaning.

Mr. MACKENZIE KING: I just wanted to make that point clear.

Section agreed to.

Mr. WEIR (Melfort): I move that the bill be reprinted with the amendments.

Mr. MOTHERWELL: May I suggest to the minister that after the bill is reprinted the house be given a reasonable time, say a day, to examine the changes before third reading is called for?

Mr. CHEVRIER: You did not allow that with the translation bill.

Motion agreed to.

Mr. SPEAKMAN: Might I suggest to the minister that as the bill is to be reprinted, and as the changes are very numerous, many of them having been made verbally in committee, it might be well if the bill were to remain in committee until the reprinted bill is before us, not for the purpose of any great extended discussion, because I doubt whether it would involve much discussion, but in the event of some clauses not being as clear as they might to some hon. members, and in order to afford opportunity for the asking of questions and having such matters clarified.

Mr. GUTHRIE: If we find any mistakes I think we could refer it back for the purpose of correcting them, or when it gets to the other chamber I fancy we could correct them there without much trouble.

Bill reported.

SUPPLY

Mr. GUTHRIE: We propose now to go into supply for the purpose of opening up the Post Office Department on one item; then we will proceed with the Dominion Companies Act on clauses that are not contentious.

I move that the Speaker do now leave the chair for the house to resolve itself into committee of supply.

Motion agreed to, and the house went into committee of supply, Mr. Gagnon in the chair.

POST OFFICE DEPARTMENT

Salaries, including amounts required to pay allowances to office appliance operators, grade 2, operating mechanical audit card punching machines in accordance with the terms of order in council P.C. 280/383, dated February 17, 1930; and to pay allowances to typists, grade 1, employed cutting stencils in accordance with regulations approved by order in council; and to provide for continuance in office of G. C. Anderson, as superintendent of mail contracts from April 1, 1934, to March 31, 1935, $1,145,124; contingencies, $174,840.

Mr. VENIOT: I understand this is merely to enter the department in the regular way, with no discussion on the item.

Progress reported.

DOMINION COMPANIES ACT

The house resumed from Monday, May 14, consideration in committee of Bill No. 64, respecting dominion companies—Mr. Cahan—Mr. Gagnon in the chair.

[Mr. Motherwell.]

On section 3—Definitions.

Mr. CAHAN: For the information of hon. gentlemen I may say that I have received from several hon. members and others suggestions as to amendments in addition to those printed recently in the votes and proceedings. After consideration I am quite willing to accept some of those suggestions, but I am republishing the entire list of proposed amendments in the votes and proceedings for to-morrow in order that hon. gentlemen may have them, as they appear in succession, for more ready reference in the later discussion of this measure.

Mr. CHEVRIER: The hon. gentleman is not blaming this on the translators, is he?

Mr. MACKENZIE (Vancouver): May I ask if any one of the provinces has specifically endorsed this legislation?

Mr. CAHAN: The bill was prepared at the request of a previous interprovincial conference for submission to the last interprovincial conference. It was so submitted, and a committee of the last interprovincial conference, composed of attorneys general and deputy attorneys general, considered the bill. Their expressions of opinion were very favourable indeed, but they asked for a delay until March 1, within which time they might make any suggestions as to any amendments they might like to have embodied in the bill. It was agreed that if such suggestions were received the Secretary of State would call a further meeting, either of attorneys general or of deputy attorneys general, for the consideration of those amendments.

To this date no suggested amendment has been received from any provincial government. It has been stated quite clearly, however, that upon consideration the government of Nova Scotia has decided to retain its own form of companies act, which follows the English act, under which incorporation is commenced by filing a memorandum of association. The government of British Columbia, I understand, have intimated also that they prefer to follow the English act and commence by filing a memorandum of association. On the other hand the government of the province of Quebec has suggested no amendment, but it has suggested in respect of its own act that, although there may be revision in the future, that province will not follow the Canadian practice of granting letters patent, but will follow its own practice of incorporating companies by direct grant from the crown, which they assume to be the form of grant more convenient for their purposes and more satisfactory to their adminis-

tration. Up to the present time no suggested amendment has been received from the department of the attorney general of any province of Canada, but this bill has been widely distributed and I have received from hon. gentlemen opposite and from leading lawyers all over the country various suggestions which we have considered very carefully. To the full extent that we are at present prepared to accept them a complete list will be printed in the votes and proceedings to-morrow.

Mr. BUTCHER: The other day the Secretary of State advised us that when we got into committee on this bill hon. members would be permitted to speak on the principle of the bill. Several hon. gentlemen who desire to speak on the principle are not here to-night. Would the Secretary of State grant us that same privilege at the next sitting of the committee?

Mr. CAHAN: Section 1 was reserved for the purpose of the discussion to which my hon. friend has referred. Now, having reserved that section, we can proceed until we encounter a section to which hon. gentlemen object or which they wish to have stand for further study.

Mr. DUPRE: There is one paragraph we intend to amend. I moved that section 3 be amended by striking out paragraph (n) and substituting therefor the following:

(n) Shareholder means every subscriber for or holder of a share in the capital stock of the company, and includes the personal representatives of a deceased shareholder, a subscriber to the memorandum of agreement and every other person who agrees with the company to become a shareholder.

Mr. CHEVRIER: I notice that in the votes and proceedings there are three pages of proposed amendments to this bill. Will the Secretary of State kindly say whether, when these amendments are translated, the cost of that translation will be added to the cost of the French version, and we will be told that the French version cost so much more than the English version, through the translation of these amendments.

Mr. DUPRE: This is out of order.

Mr. CHEVRIER: We are in committee; I have asked a question and I should like an answer.

Mr. CAHAN: In order to be as courteous as possible to the hon. gentleman I will simply say that the translation of this bill will follow the ordinary course.

Mr. CHEVRIER: The minister will not say that the French version cost more than the English version because of the extra cost of translating these amendments?

The CHAIRMAN (Mr. Gagnon): I rule that these remarks are out of order.

Mr. MACKENZIE (Vancouver): I understand that the amendment just moved by the Solicitor General is only a matter of redrafting?

Mr. CAHAN: When it was drafted formerly some words were inserted twice, and this is simply to make a clearer definition.

Amendment agreed to.

Section as amended agreed to.

Sections 4, 5 and 6 agreed to.

Section 7 stands.

On section 8—Conditions precedent to issuing of letters patent to be established.

Mr. HANSON (York-Sunbury): In connection with subsection 4, I suggest some provision ought to be inserted in the act whereby before the Secretary of State may on his own initiative change the name of the company, some notice should be given to the applicants, and that a name other than that applied for should not be changed without such notice being given.

Mr. CAHAN: That matter is already governed by office regulations. After an application has been received for letters patent in which a proposed name is designated the Secretary of State, if there are objections, never proceeds to change a name without notice to the applicants and obtaining the consent of the applicants to the new name. As a matter of fact, we are under an international agreement to which all the leading nations are parties, and provision is made in the Unfair Competition Act that a name shall not be granted in Canada which might be confused with the name of any other company, foreign or domestic, which is doing business in Canada.

Mr. HANSON (York-Sunbury): I have no doubt that the Secretary of State is quite right in that what he states is the practice. I am thinking more particularly of the practice in other jurisdictions. It always struck me that there should be some provision in the statute which would compel the department of the Secretary of State to give notice to the applicants, and I can see no harm in inserting such provision.

Mr. CAHAN: If you insist I shall let the section stand. All I can say is that I am in the hands of the committee. In four years there has been no case in which such a difficulty could arise, because the applicants are notified, and I suppose there is an average of at least four or five times a month where parties object that certain names should be granted.

Mr. HANSON (York-Sunbury): I say the name should not be changed without notice; that is the point I make.

Mr. ELLIOTT: There would be no objection to the section standing. I know that in a number of cases in which I have been interested no change has been made without its being communicated to the applicant.

Mr. CAHAN: I do not think such change was ever made without notice.

Mr. ELLIOTT: I do not think a charter would be granted until the applicant has assented to the change.

Mr. HANSON (York-Sunbury): I agree that should be so. I have in mind a case in another jurisdiction where I applied for a charter, and the officials of the department proceeded to give another name. It was only after strenuous argument that I succeeded in getting the name I wanted. However, I am not pressing the point.

The CHAIRMAN (Mr. Gagnon): Shall section 8 stand?

Mr. HANSON (York-Sunbury): I should like the minister to give it consideration.

Mr. ELLIOTT: Do I understand the minister to say there is now a regulation in the department?

Mr. CAHAN: Yes. If the official in charge of the branch were to follow the course the hon. member has just suggested he knows he would likely lose his office.

The CHAIRMAN (Mr. Gagnon): Section 8 stands.

Sections 9, 10 and 11 agreed to.

On section 12—Different classes of shares.

Mr. DUPRE: I move to strike out subsection 7 of this section and substitute the following therefor:

(7) In the absence of other provisions in that behalf in the letters patent, supplementary letters patent or by-laws of the company, the issue and allotment of shares without nominal or par value may be made from time to time for such consideration as may be fixed by the board of directors of the company; and in fixing the amount of such consideration, the board, subject to the provisions of this part, may provide that a part, not exceeding twenty-five per centum thereof, may be set aside as a distributable surplus; provided that in addition, where the company acquires a going concern, which has a surplus over and above all liabilities, and any shares without nominal or par value in the company are issued and allotted as fully paid in payment or part payment for such going concern, the directors may by resolution set aside such further part of the consideration for the issue and allotment of such shares without nominal or par value as a distributable surplus as does not exceed the unappropriated balance of realized net profits of the going concern immediately before such acquisition.

Mr. CAHAN: A number of suggestions have been coming to the department from lawyers and others, and the opinions stated were that subsection 7 as drafted was not perfectly clear. We have had opinions from some of the most eminent lawyers in the country, and finally an agreement was reached. I think the section is now quite all right.

Mr. BUTCHER: Will the minister allow this section to stand?

The CHAIRMAN (Mr. Gagnon): Section 12 stands.

Section 13 agreed to.

Sections 14, 15 and 16 stand.

Section 17 agreed to.

On section 18—contracts of agent binding on company.

Mr. CAHAN: I have an amendment to suggest to this section. Hon. gentlemen will remember that in 1932 a decision was given by the Supreme Court of Canada in the case of the Bank of the United States vs. Ross with regard to the old section which is repeated in section 18 as it now stands. In view of that decision, after very lengthy consultation with eminent counsel, it has been suggested that the clause should be amended by striking out the words in the forty-fifth and forty-sixth lines, "as such under the by-laws of the company" and inserting in lieu thereof the words "either as expressed or implied." The reason for this suggested amendment is that the by-laws of the company are not known to the public and under the recent decision in the Bank of the United States vs. Ross there is the suggestion that in every case in dealing with the company an outside party must insist upon the production of the by-laws in order that he may make himself acquainted with all the powers vested by the by-laws in an officer of the company. If the amendment is accepted it will then

read: "in general accordance with his powers either as expressed or implied." I think I had better allow the section to stand so that hon. gentlemen can see the effect of the amendment in the votes and proceedings to-morrow.

Mr. HANSON (York-Sunbury): This is a very important section, and under the theory of internal management a very difficult question arises whether there is power to make a binding contract or not. I am very glad to say that I called the minister's attention to the case of the Bank of the United States vs. Ross and the implications contained in that decision. I think it is worthy of very serious consideration. I should like to see the whole clause redrafted.

Mr. CAHAN: We will allow it to stand.

Section stands.

Sections 19 to 28 inclusive agreed to.

On section 29—when company may surrender charter.

Mr. CAHAN: I have a suggestion to make. It is one of the suggestions printed in the votes and proceedings. Eminent lawyers have called my attention to the word "therein" in line 29. It is not sufficiently clear, they think, and so I have suggested that instead of the word "therein" we use the words "in such debts, liabilities or other obligations" to make it clear what "therein" specifically refers to.

Mr. DUPRE: I move accordingly, Mr. Chairman.

Amendment agreed to.

Section as amended agreed to.

Sections 30 and 31 agreed to.

On section 32—Allotment of shares.

Mr. DUPRE: I move to insert after the word "persons" in line 18 the words "or class of persons."

Mr. CAHAN: This clause makes it clear that the allotment may be made at such times and in such manner and to such persons as the directors may from time to time determine. In drafting the clause I thought that the words "in such manner and to such persons" would be sufficient, but it has been suggested by counsel that it should read "to such persons or class of persons" because there may come a time perhaps when the allotment would be made to all the present shareholders of the company or it might be made to all the preferred shareholders of the company as such, and, in order to obviate the enumeration by name of one or two hundred or more persons, it is proposed to insert the words "or class of persons" after the word "person."

Amendment agreed to.

Section as amended agreed to.

Sections 33 to 35 inclusive agreed to.

On section 36—Invalid without entry.

Mr. CAHAN: It has been suggested that after the word "transfers" in line 9 there should be inserted the words "or in a branch register of transfers." The fact is that many companies have a general register and also branch registers, and, in view of the decision in the Royal Bank vs. Smith case respecting provincial branch registers, it was really an oversight that these words were not inserted in the drafting.

Mr. HANSON (York-Sunbury): Has consideration been given to the question of the registration of shares to make it obligatory on companies to open registers in the various provinces? I have in mind the question of succession duties and the payment of double fees. Nearly all the big corporations have their head offices in Montreal, Toronto or some other large city, while the shareholders are scattered throughout every province. There is no reciprocity between the provinces in the matter of succession duties, and very often the estates of deceased shareholders are mulcted for double duty. In the province of Quebec an incorporated company may claim a different province as its domicile, while the shareholder claims another province. This leads to a great deal of litigation and double expense. The banks have worked out a scheme for the relief of the estates of deceased shareholders. They provide a register in every province and it seems to me that this is the proper time and place to make it obligatory upon public companies to open share registers in every province. I have had a great deal of experience in connection with these matters and I know it works very great hardship, not on the companies but on the estates of deceased shareholders. I offer the suggestion that this clause be drafted in such a way as to provide that where there is any considerable number of shareholders in any one province, a company shall open a branch registry office in such province.

Mr. CAHAN: As a matter of fact, it is not obligatory upon the banks to open branch or provincial registers, but in provinces where there is a considerable number of shareholders

they do so for the personal convenience of their shareholders. Full provision is made in this bill for branch registers, but we have left it optional with the company as to the adoption of a branch registry system. This bill applies to every company incorporated, whether it be a small company with a thousand dollars capital or a large company with many millions of dollars of capital. After full consideration we thought that the time had not come to make the establishing of branch registers obligatory. In the case of the smaller companies it would be an obligation and burden which would be intolerable. I trust the hon. gentleman will allow this section to pass in its present form. I am ready to accept the opinion of the committee, but my own opinion is very decidedly against making branch registers obligatory in a general statute which applies to all companies, whatever their capital may be.

Mr. HANSON (York-Sunbury): I appreciate that in the case of the small joint stock companies it might be a burden, but I do suggest that in the case of companies whose shares are listed on the stock exchanges it should be made obligatory. I am quite satisfied the section could be drafted in such a way as to cover the cases I have in mind, that is, companies whose shares are listed on the stock exchanges. It should not be any great burden if this were done, and it would provide protection to the estates of deceased shareholders. This should be done for the very pertinent reasons which I have urged. Any hon. gentleman practising in the smaller provinces knows that in the case of a large estate with diversified investments and securities a great number of shares will be held in companies listed on the Montreal or Toronto stock exchanges. In the case of decedents residing in the smaller provinces there is a double taxation because the shares are registered in the province in which the head office is located. I understand there is a recent decision in Quebec which is under appeal and which would afford protection, but I think this is the time and place to give consideration to the circumstances which I have indicated, I am afraid very inadequately. If we do not do it now we will not get it done for many years to come. This bill is to be a model and I appeal to the minister to give some consideration to these suggestions.

Mr. RALSTON: I suggest that my hon. friend who has just spoken is approaching the matter from the wrong end. I submit that we are legislating for companies and not in connection with succession duties. I think there is a lot of room for improvement in the succession duties acts and in the way they are administered, although I do not cast any reflection upon anyone. The double duty is caused not by the Dominion Companies Act but by the rulings which have been given by the various attorneys general and the various succession duties departments of the provinces. While I sympathize with my hon. friend, I submit he is approaching the question from the wrong angle. I have a case in mind of a small estate which is being virtually held up because of claims from two different succession duties jurisdictions. I suggest that it would be a serious thing for companies, even those listed on the stock exchanges, to be required to have registers in every province regardless of the fact that their shareholders may be residing in only two or three provinces.

Mr. HANSON (York-Sunbury): I agree that we are legislating on behalf of all companies, but I suggest, with all deference, that we are also legislating on behalf of the shareholders of companies. I think that is a complete answer to the statement of my hon. friend.

Mr. RALSTON: They do not have to become shareholders.

Mr. HANSON (York-Sunbury): In so far as their rights are affected by this bill, we are legislating just as much in the interests of shareholders as we are in the interests of the company. It would not be such a difficult thing to establish branch registers. The trust companies operate in every province, and all that would be required would be the appointment of a registrar in a particular province by resolution of the directors. It would necessitate the payment of a very small fee to affect the transfers I have in mind. I see no difficulty about it; in fact I am quite satisfied it could be worked out very easily and very economically. It would be of great benefit, not to the companies but to the shareholders, to whom they owe a duty in this respect.

Mr. CAHAN: Hon. gentlemen will remember that in 1932 I introduced a bill which created a new part to the Dominion Companies Act, a part which appears as part VI of this act, to be found at page 96. This part provides that all Canadian companies incorporated under any act of the parliament of Canada or of the legislature of the late province of Canada may have branch registration offices. When introducing that legislation in 1932 we gave most careful consideration to the question raised by the hon. gentleman

with regard to branch registers. We provided by the terms of that enactment every facility for the opening of branch registers, with the result that many of the large companies have opened branch registers of their own volition in more than one province, but confining such branch registers to those provinces in which numbers of their shareholders were resident or domiciled. Shareholders have the option of not retaining shares in a company which fails to give them the protection which they think they ought to have in respect of the succession duties taxes. We have given the companies this option and have left it to the shareholders to bring pressure upon the company with respect to the establishing of branch registers. We think we have gone just about as far as we ought to go at the present time. This matter has been developed by a succession of decisions of the highest courts of the land, and I do not think we are yet in position to amend the Dominion Companies Act to provide for successful evasions of the decisions of provincial courts wth respect to the succession duties tax. I prefer to leave it as it is at the present time.

Mr. HANSON (York-Sunbury): I must take exception to the last statement of the minister. There is no attempt to evade the payment of any succession duties tax. I do suggest that we ought not to pass legislation which will help two different provinces to obtain succession duties on the same securities. That is what has happened in the past and it is what I have had in mind as an evil that ought to be cured if possible. I have heard no good answer yet as to why it should not be made obligatory. I have in mind the case of registered bonds of the Canadian National Railways. For years I had put up a battle with the treasury department of the Canadian National Railways to have their bonds registered, not in Montreal but in the place where the bondholder resides. I had a long correspondence with the late Mr. Ruel. I could not get him to move for a long time, but finally I did, so that the Canadian National Railway bonds might be registered in New Brunswick through a trust company, as they had previously been registered in Quebec. Take the expensive litigation in connection with the Sifton estate. If the Sifton bonds had not been registered in Montreal, where the head office of the Canadian National Railways was, the province of Quebec would have had no earthly excuse for trying to collect from the executors a huge sum of money in succession duties. We are perpetuating what is really a scandal in this country, namely, the collection of double duties on the same set of securities.

Mr. RALSTON: Are they collecting to-day two income taxes on the salaries of ministers who live in Ottawa? It is done every day, but does anyone suggest that that is a scandal?

Mr. HANSON (York-Sunbury): I do not know whether my hon. friend is defending the principle of double taxation in succession duties.

Mr. RALSTON: The idea of double taxation is not necessarily a scandal, which is the term my hon. friend uses. Anyone who has lived in Ottawa knows that the same income is taxed twice in the city of Ottawa—by the city and again by the income tax department. But no one uses strong language, calling it a scandal. The food we eat is taxed a good many times and no one talks about it as a scandal. I do not understand my hon. friend's argument. I appreciate the fact that there are hardships, but my point is that he is proposing to legislate in the wrong place. In the first place this is a companies act and we are not concerned with the question as to who shall or shall not purchase shares of a company, because after all that is a voluntary matter; and secondly, as the minister says, we are pretty nearly legislating to assist in an evasion of provincial law. How should we like it if the provinces started to legislate in the same way to assist in the evasion of a dominion law? We have to be careful about a matter of this kind, which is not as clear as my hon. friend suggests. Further, it is questionable whether we shall get clear of double taxation simply by making it obligatory upon companies to register in the different provinces. It is possible that there may still be double taxation, and my hon. friend may be enhancing the possibility not only of double but of treble taxation if that is done. As the Secretary of State has said, we are not yet at the stage, so far as judicial decisions are concerned, where we know precisely where we are in relation to the possibilities of succession duties in Canada and how far domicile enters into it. We do not know how far the question as to where you can effectively transfer property, which is the test in some instances, determines the liability for succession duty purposes. I know that my hon. friend has had far more experience than I in connection with succession duties, but I submit that we ought as far as

possible to legislate for companies rather than attempt to follow the incidence of the legislation into the account books and finally into the estates of various people who may or may not become shareholders as they think proper.

Mr. DUPRE: I move that after the word "transfers" in the fourth line there be inserted the words "or in a branch register of transfers.".

Amendment agreed to.

Mr. GEARY: Has the attention of the minister been drawn to line 21 on page 21, in subsection 2? Is it proposed to have the same amendment here? Does the same alternative apply after the word "transfers"?

Mr. CAHAN: Yes.

Mr. DUPRE: I move that subsection 2 be amended similarly in line 21.

Amendment agreed to.

Section as amended agreed to.

Section 37 agreed to.

Mr. BUTCHER: Will the minister allow sections 38 and 39 to stand.

Mr. CAHAN: Yes.

Sections 38 and 39 stand.

Mr. CAHAN: As this is a convenient place and it is a few minutes to eleven o'clock I move that the committee rise, report progress and ask leave to sit again.

Progress reported.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

END OF VOLUME III